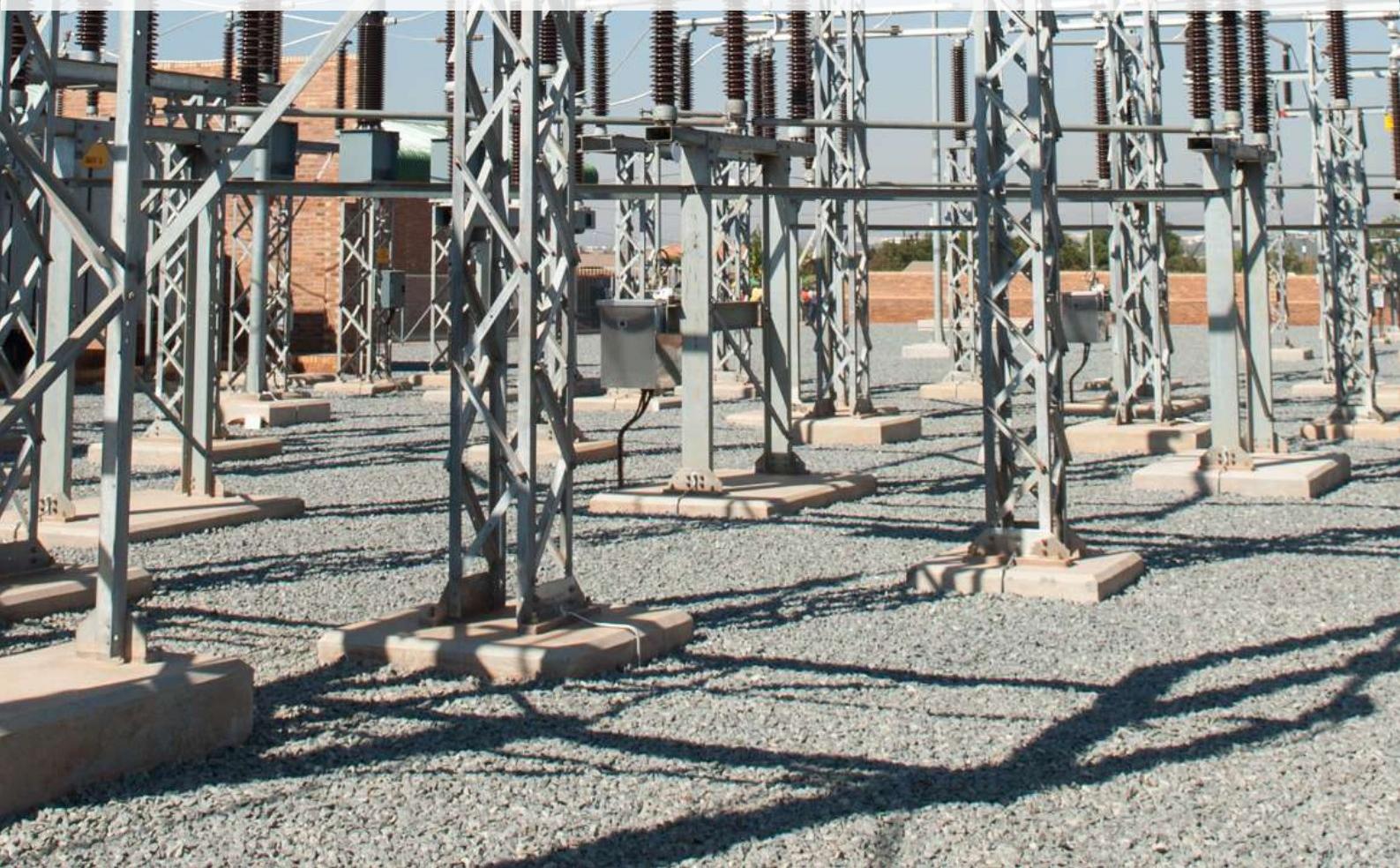




## Section C: Catalytic Land Development Programme & Preparation



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## Section C: Catalytic Land Development Programme Preparation

The CSP's Guideline for Catalytic Land Development (2018) defines Catalytic Land Development Preparation (CLDP) as an outcome of the Urban Network Structure (Spatial Targeting - UNS) and aims to promote capital investment based on a clear set of objectives and spatial rational. Catalytic land development builds on the concept of spatial targeting, through a more focussed approach to identifying precinct level intervention areas, which have been prioritised based on integration between transport and mobility; sustainable human settlements and urban infrastructure.

In terms of the City's theory of change, the principle for spatial transformation filters through to CLDP. Section B of the document identified the broad spatial transformation vision of the City by identifying its UNS and spatial structuring elements in terms of the MSDF, as well as setting the foundation for specific spatial targeting in support of an identified and delineated Integration Zone. Although the majority of Section C focusses on the principle of spatial transformation, outcomes and actions from the principle of Collaborative Planning, Implementation and Management also plays a vital role in establishing an intergovernmental project pipeline together with financial sustainable resourcing.

The intra- and inter- dependency between spatial transformation; financial sustainability and good governance is still of upmost importance and will ensure sustainable economic growth as a result of increased capital investment together with achieving an intergovernmental planning reform.

Figure 37 Theory of Change

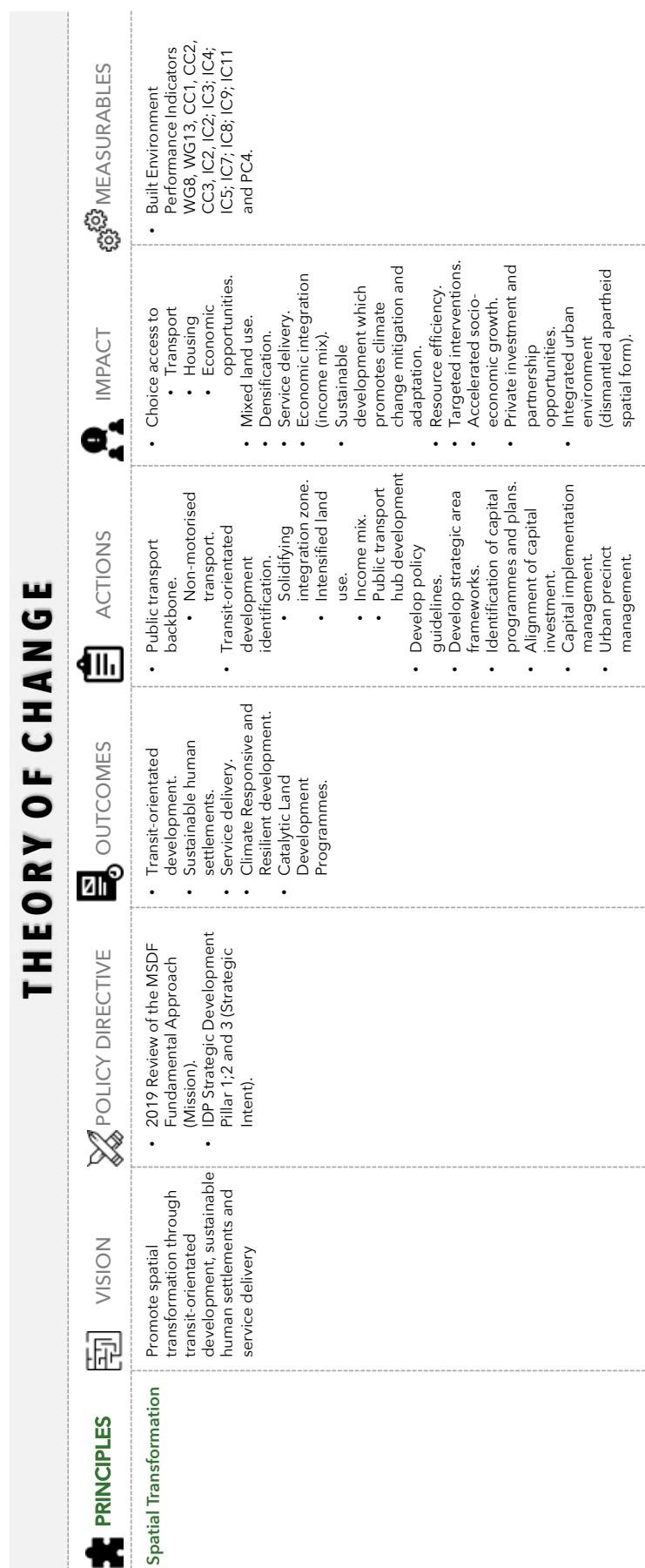


Figure 37 indicates CLDP as an outcome of spatial transformation and contains a concentrated set of actions to achieve spatially targeted investments. These include the identification of spatially targeted capital programmes or projects, the alignment of capital investment to targeted objectives and the development of urban precinct management frameworks. Through actioning these outcomes, spatial targeting, aimed at spatial transformation, will focus and optimise the distribution of current and future capital investment and in turn promote private investment and public-private partnerships. This further unlocks additional socio-economic growth opportunities, together with sustainable human settlement patterns, which promotes resource efficiency and adaptation to climate change impacts.

In terms of the BEVC, the following section has been structured to align to the second component within the value chain and describes the process of CLDP identification and formulation. This includes the methodology for identifying these programmes and the evaluation criteria applied to prioritise capital investment.

In order for the city to develop a prioritised list of capital projects, which supports and aligns with the CLDPs, the city has adopted the use of a spatially enabled Capital Planning and Prioritisation System (CAPS). CAPS is the mechanism through which planning theory and strategic objectives are linked and facilitated by the budgeting and implementation processes of the City. Chapter 14 outlines the prioritisation methodology and criteria of capital projects which enables spatial targeting and focussed investment to achieve sustainable urban development and efficient capital investment. Chapter 18 builds on the results of the prioritised list of capital projects and the Draft Capital Budget for 2020/21 (IDP Annexure A) which includes CLDP projects for inclusion into Annexures 1, 2 and 3 of the BEPP report.

The second component of Section C highlights the intergovernmental project pipeline functionality and the benefits that can be derived from collaborative investment planning with different spheres of government. Chapter 15 aims to provide an overview regarding intergovernmental alignment of provincial planning focus areas to the city's spatial targeted areas. Projects identified from the provincial budget planning and implementation processes will be evaluated and spatially linked to the city's spatial targeted areas (Chapter 19), based on the draft provincial 2020/21 MTREF budget, and will form part of the intergovernmental project pipeline CLDP's as indicated in Annexure 2 and 3 of the BEPP report.

## 12 Catalytic Land Development Programme Preparation

The Built Environment Performance Plan Guidelines developed a definition of a catalytic project and remains unchanged since 2015/16 MTREF cycle. The definition of catalytic urban development projects is formulated as land development initiatives that:

- Are integrated, that is mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems;
- Are strategically located within integration zones in metropolitan municipalities; and are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form.
- Require major infrastructure investment;
- Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment, and;

- 
- Require specific skills across a number of professions and have multiple stakeholders.

The City of Tshwane recognises the definition of catalytic projects defined by National Treasury; however, the city should embark on a process to interpret the definition and identify a methodology of identifying and qualifying the programmes and associated projects as catalytic.

## **12.1 Catalytic Land Development Programme: Identification criteria**

From the definition, the city identifies the following evaluation criteria elements:

- “Are integrated, that is mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems”;
  - Integrated
  - Intensified land use
  - Various income groups
  - Increase densities
  - Public Transport support
- “Are strategically located within integration zones in metropolitan municipalities; and are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form”;
  - Strategically Located
  - Integration Zones
  - Scope have significant impact on spatial form
- “Require major infrastructure investment”;
  - Size of budget
  - Infrastructure
- “Require a blend of finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment”, and;
  - Mix of Funding sources
- “Require specific skills across a number of professions and have multiple stakeholders”.
  - Number of Stakeholders

The identified criteria elements are consequently converted into measurable criteria.

Table 16 CLDP Measurable Criteria

Theme	Weight	Criteria	Weight	Tshwane Measurable Indicator	Logic
1 Are integrated, that is mixed and intensified land uses where the residential land use caters for people across various income bands and at increased densities that better support the viability of public transport systems	30%	Integrated	25%	If MSCOA Project Type = Softer Services, Hard Services	If {project} is {MSCOA_Type} is {Social Related and Infrastructure related}; rank high
		Intensified land use	20%	Within Urban Edge (The closer you are a municipal node – CBD, Metro, Urban Core) the better)	If {project} is within {Urban Edge}; rank high
		Various income groups	10%	Income mix of Poor:Middle:High Of 40:50:10 per hexagon modelling zone	If {project} is within {hexagon}; rank high
		Increase densities	15%	MSCOA – Upgrading And SDF Zoning = 60-100 du/ha	If {project} is {MSCOA_Upgrading}, and within {Density Zone 60-80}; rank high
		Public Transport support	30%	Situated within 800m of a public transport route	If {project} is within {800m Buffer}; rank high
2 Are strategically located within integration zones in metropolitan municipalities; and are game changers in that the nature and scope of the projects are likely to have significant impact on spatial form	30%	Strategically Located	50%	Within the key Spatial Structuring Elements of the City	If {project} is within and{Capital Core, Metro Nodes, Urban Nodes, Integration Zones, Underserved Areas}, rank high
		Integration Zones	30%	Within the Integration Zones, as defined by National Treasury	If {project} is within and{800m of BRT routes}, Rank high
		Scope have significant impact on spatial form	20%	Within the smallest key Spatial Structuring Elements (precincts) of the City	If {project} is within and{Precinct}, rank high
3 Require major infrastructure investment	20%	Size of budget	80%	Project is larger than the 75th percentile project asking for budget in that financial year.	
		Infrastructure	20%	Project Type - Infrastructure	
4 Require a blend of	15%	Mix of Funding sources	100%	If project is not Council funded	If {project} is {Co-Funded}, rank high

Theme	Weight	Criteria	Weight	Tshwane Measurable Indicator	Logic
finance where a mix of public funds is able to leverage private sector investment as well as unlock household investment				Or If project is co-funded	If {project} is {Council-Funded}, rank low
5 Require specific skills across a number of professions and have multiple stakeholders	5%	Number of Stakeholders	100%	Linked to a critical National Development Outcome, or A Municipal Strategic Pillar	

## 12.2 Catalytic Land Development Programme: Identification

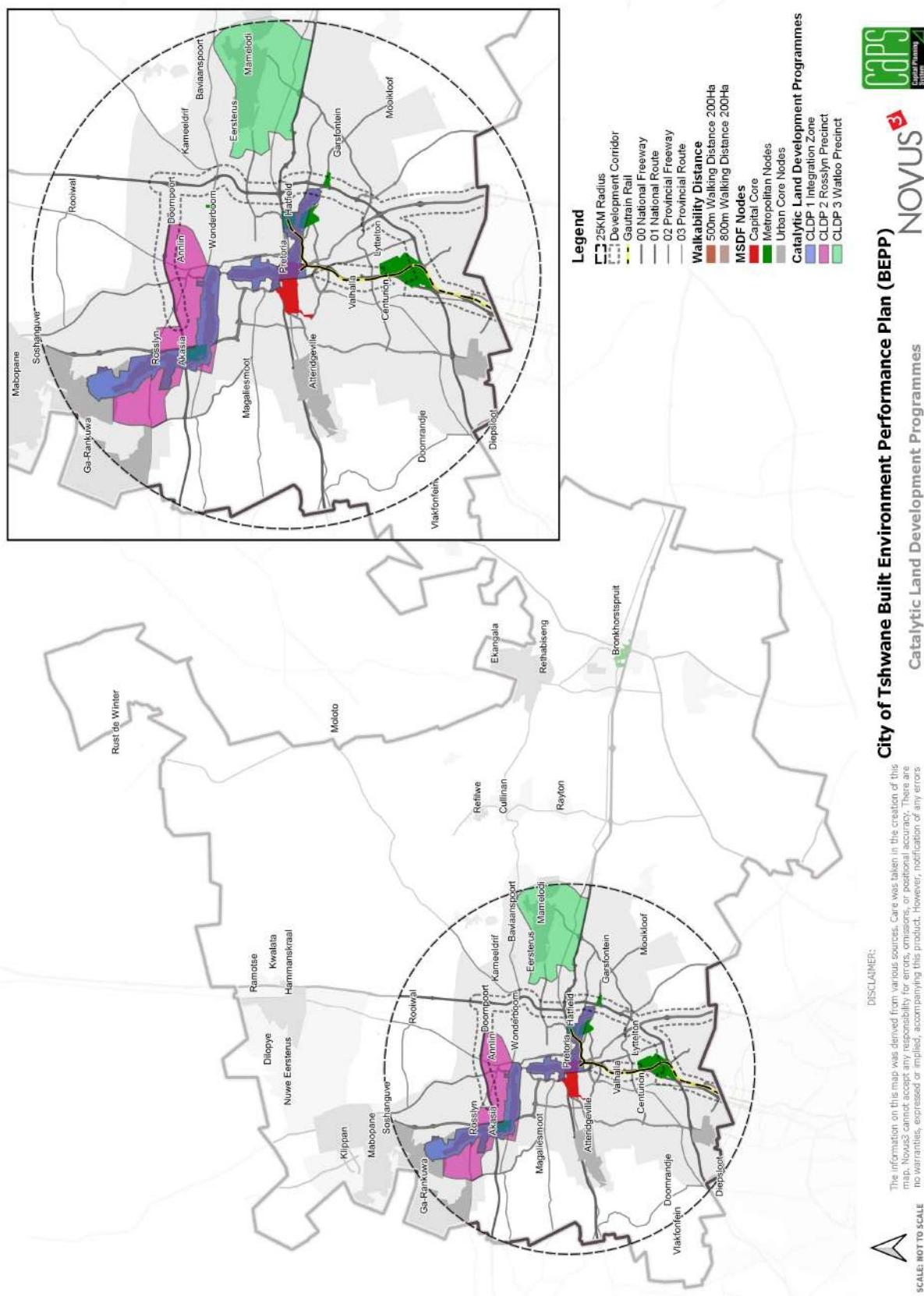
The city has identified three CLDP's, namely:

- CLDP 1 – Integration Zone
- CLDP 2 – Rosslyn / Wonderboom Precinct
- CLDP 3 – Watloo / Silverton Precinct

The Rosslyn/Wonderboom area is home to the TAC which has recently seen a large increase in public and private investment together with industrial and residential development. The CSU represents the city as part of the Automotive Industry Development Centre (AIDC), which also includes automotive manufactures within the region. The AIDC provides a platform within which the city has the opportunity to share best practices regarding the running of resource efficient manufacturing plants. This aligns with the city's strategic vision to be more resource efficient and resilient. The Tshwane Automotive City Development Framework (TACDF) outlines a large focus towards greening within the Rosslyn/Wonderboom area together with rehabilitation strategies aimed towards existing open spaces. The rehabilitation of open spaces and greening of areas will contribute significantly towards heat management measures.

Although the Waltloo/Silverton area does not directly from part of TAC, the principles applied to the Rosslyn/Wonderboom area through the AIDC platform applies to manufacturers across the city, and by implication those located in the Watloo/Silverton area.

Figure 38 Catalytic Land Development Programmes



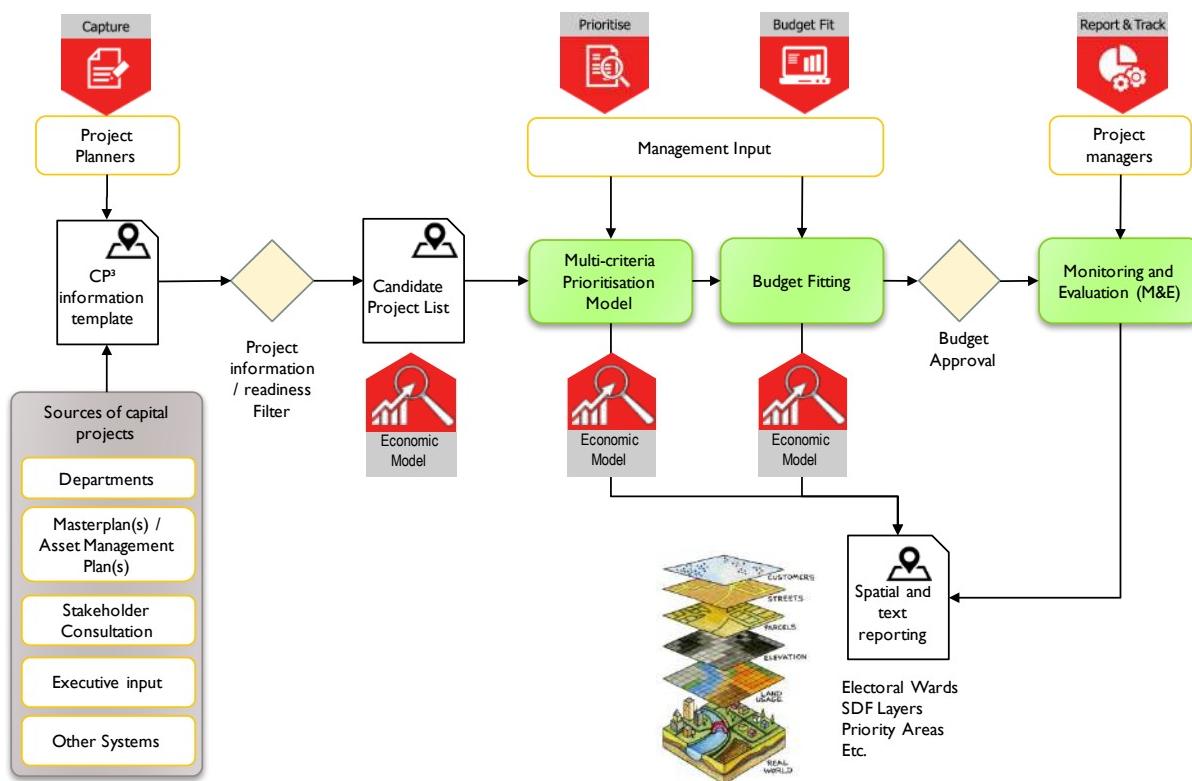
## 13 Project Preparation within the City of Tshwane

The City of Tshwane utilises a project preparation, planning and prioritisation information system (CAPS) to solicit medium-to-long term development plans and implementation strategies which give effect to the city's vision, metropolitan-, regional- and local Spatial Development Frameworks (SDFs) and precinct plans. In so doing, CAPS has been institutionalised as a centralised project database which contains all identified projects and enabling factors required to facilitate and support development (i.e. required bulk infrastructure, transport infrastructure, social amenities etc.). Project identification should identify capital needs or projects from the various master planning and IDP community engagement processes. Figure 39 shows system content from the CAPS system, and more specifically where capital projects are captured per unit or departmental cluster in accordance with the minimum project preparation requirements of the city.

Figure 39 City of Tshwane Capital Planning and Prioritisation Information System (CAPS)

As mentioned above, project preparation includes the capturing of a project wish-list onto CAPS. Capturing of the project wish-list occurs annually, during the city's capital budget planning and preparation process, and require departments to conform to a minimum set of project information criteria. The CAPS project information criteria conform to the MFMA Municipal Standard Chart of Accounts (mSCOA). Figure 40 outlines the project life-cycle process flow within the CAPS environment and indicates the process of identifying a project wish-list. The prioritisation part of the process flow will be discussed in Chapter 14, whereas the budget scenario preparation process will be discussed as in Chapter 18.

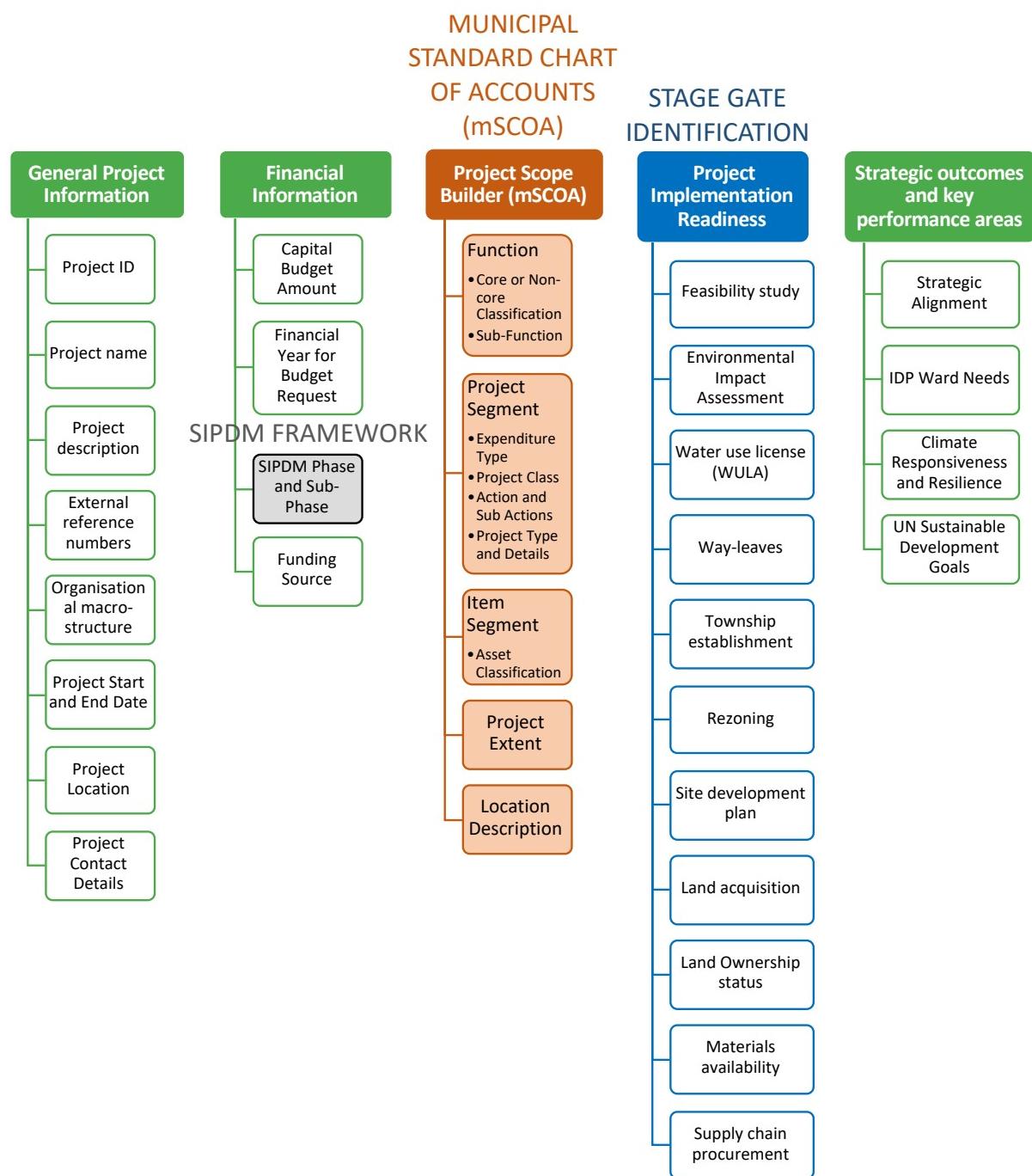
Figure 40 High Level Project Life-cycle Process Flow within CAPS



### 13.1 CAPS Minimum Project Information Requirements

Figure 41 below outlines the criteria and minimum information requirements for project capturing during the annual project planning and preparation process of the city.

Figure 41 CAPS Minimum Project Information Requirements



The items marked in grey indicates project information alignment to the FIPDM framework, whereas items marked in blue indicates the project information alignment to the city's Stage Gate standard and workflow process. For more information on the Stage Gate standard and workflow process refer to Chapter 21. Project information Items specifically aligned to mSCOA requirements have been marked in orange.

## 13.2 Evidence-based Project Preparation

The Framework for Infrastructure Procurement and Delivery Management (FIPDM), together with the Stage Gate standard and workflow process requires evidence-based programme or project planning. To allow for evidence-based planning and reporting, specific evidence items are required in order to establish the stage gate in which a project is captured onto CAPS. Through the use of evidence-based reporting and tracking, the city will be in a position to establish whether a programme or project should remain in the current gate or proceed onto the next gate. Chapter 21 outlines the City's approach to the adoption of an infrastructure implementation management process which aligns with National Treasury's FIPDM.

In addition to the information requirements as outlined in Figure 41, the project planning and capturing process (project preparation) require evidence-based documentation pertaining to certain aspects of each project or programme. Project preparation evidence associated with particular stage gates are uploaded onto the CAPS document management system. A typical portfolio of evidence could consist of the following supportive documentation:

- Technical Feasibility
  - Pre-feasibility study
  - Feasibility study
- Financial Feasibility
  - Cost estimate, bill of quantities etc.
  - Economic impact studies
- Implementation Readiness
  - Environmental Impact Assessment – Record of Decision (ROD) (if applicable)
  - Water Use Licence approvals (if applicable)
  - Way-leave approvals (if applicable)
  - Township establishment approvals (if applicable)
  - Rezoning approvals (if applicable)
  - Site development plan approvals (if applicable)
  - Materials availability - purchase orders
  - Supply chain / procurement – letter of appointment, contracts, service level agreements etc.

## 14 Capital Prioritisation Model (CPM)

The following section provides information and insight into the capital projects prioritisation process. This prioritisation process occurs annually prior to the subsequent budgeting process required by National Treasury. In conclusion to this section, the results of the CPM will be outlined and discussed.

The structure and content of the CPM is based on a high-level assessment for purposes of the BEPP. Since the publication and endorsement of the previous version of the Tshwane BEPP, changes were made to the structure of the CPM to inter-alia, incorporate elements such as climate change and strategic outcomes sought by the BEPP and National Policy documents. The changes that were made were based on the 2019 BEPP recommendations that were adopted by Council.

In addition to accommodating the previous BEPP's recommendations, changes were made to improve the spatial component of the model, to ensure that projects that are spatially targeting and aligning with the City's vision, are appropriately elevated in eminence relative to other projects that are not. The slightly tweaked and enhanced model is shown in Figure 42.

## **14.1 Purpose of the CPM**

The CPM of the City of Tshwane is a systematic and objective methodology that provides a way to sort a diverse set of capital needs or projects into an order of importance based on each capital need / project's alignment to the strategic, spatial, developmental, social, economic, environmental and financial objectives of the municipality. The CPM identifies each project's relative importance by deriving a numerical value representative of the project's priority.

The CPM provides a means for ranking capital needs based on criteria that are the most important, in order to meet the city's overarching developmental objectives and strategies. This process assists in promoting co-ordinated and aligned departmental planning and budgeting.

Project prioritisation can therefore be described as a process for assessing a project against a number of variables such as, economic, social, environmental, legislative and financial variables, in order to determine a capital project's alignment with or contribution to such variables. It provides for a systematic and objective assessment of an ongoing or completed project. All the impacts associated with a capital project are identified, and where possible, costs and benefits valued in monetary terms, so as to ensure that projects prioritised and selected for implementation by the city will provide the maximum net benefit to the community, economy and environment – the balancing effect.

It is important to note that this approach is a tool that assist the city to work through a myriad of capital needs an annual basis with expediency and efficiency. Scenarios can be tested, and additional spatial realities can be incorporated with relative ease. The process allows for manual adjustments to be made by the City's executive, should the need arise – the process recognises that there may be, from time to time, issues that could not have been foreseen or reasonably be taken into account by the model. By and large though, the bulk of the 1000+ capital needs are processed to a state where officials can start making sense of the outcomes, and to test the veracity of the results by e.g. looking at the top-scoring and lower-scoring projects to test whether it "makes sense". Should there be discord about some of the outcomes, a meaningful discourse relating to the main themes of the prioritisation can ensue (e.g. the weight carried by socio -economic parameters, etc.) instead of debating the individual merits of a multitude of disparate projects.

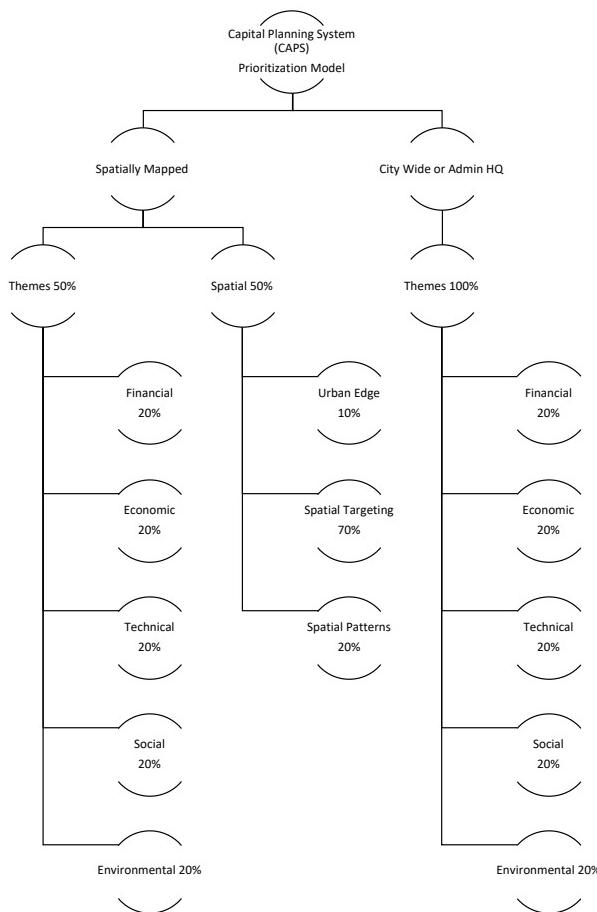
## **14.2 Capital Prioritisation Model Outline**

### **14.2.1 CPM High-level Structure**

The CPM structure allows for projects to be scored between two mutually exclusive branches (refer to Figure 42) namely:

- Spatially Mapped projects; and
- City Wide projects or projects relating to administrative headquarters (Admin HQ)

Figure 42 CPM High-Level Structure



These two model branches are mutually exclusive, which means that a project can only pass through one of the two branches and can never be scored on both branches. Projects which have spatial locations (i.e. geo-referenced works locations and beneficiary areas) are evaluated through the “Spatially Mapped” branch of the model, whereas unmapped projects marked under the MSCOA regional segment as “City Wide” or “Admin HQ” are evaluated through the “City Wide / Admin HQ” branch of the model. This distinction is made so that City Wide and Admin HQ projects are not substantially penalised under the “Spatial” branch of the prioritisation model – given that they cannot score on spatial measurement criteria.

Once it has been determined whether a project is spatially mapped or City Wide/Admin HQ, the project evaluation takes place according to the following themed categories:

- Financial
- Economic
- Technical
- Social
- Environmental

From the high-level tree structure above (refer to Figure 42) that the “Spatial alignment” theme is only utilised under the “Spatially Mapped” scorecard.

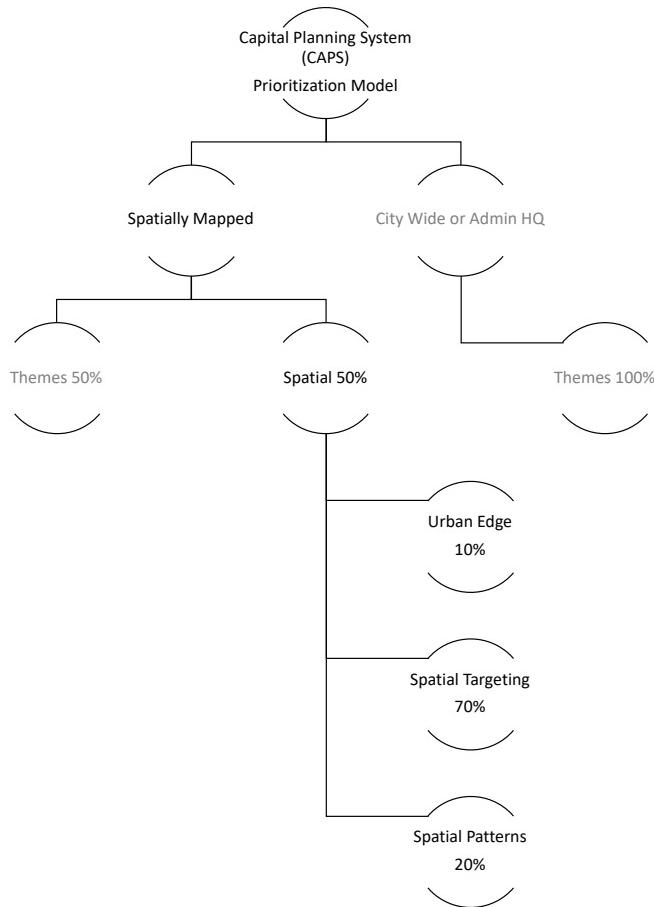
### 14.2.1.1 Spatial Criteria

The spatial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the SDF and other spatial targeting objectives set out in various strategic documents of the municipality (i.e. IDP, RSDF, BEPP, CIF etc.). The alignment of projects to the spatial targeting areas of the municipality are scored according to the following criteria:

- Urban Edge
- Spatial Targeting
- Spatial Patterns

These criteria measured under these sub-branches seek to ensure that projects within the municipal budget align with the spatial structure or spatial development objectives of the municipality.

Figure 43 Spatial Criteria



### 14.2.1.2 Financial Criteria

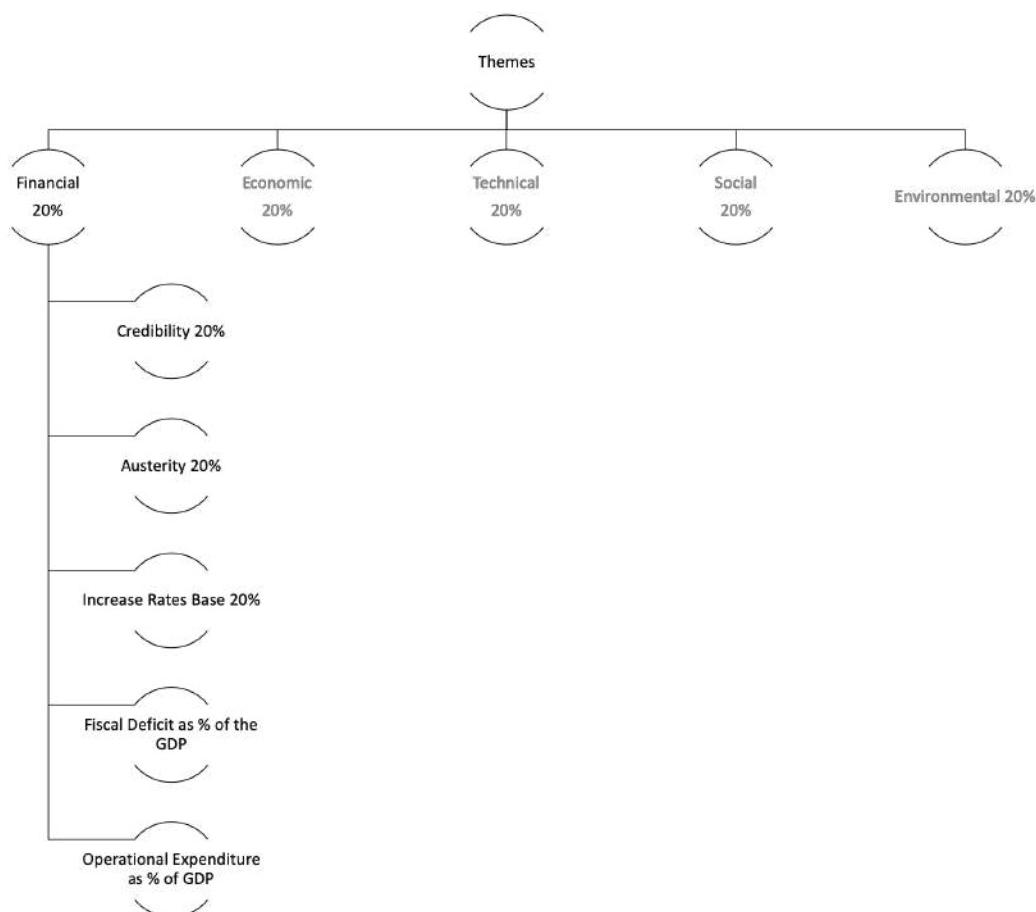
The financial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget are considered to be credible, affordable, funded, applied to expand the rateable asset base and improving the fiscal position of the municipality. The financial alignment score is calculated within five distinct categories, namely:

- Credibility

- Austerity
- Increased Rates Base
- Fiscal Deficit as a % of GDP
- Operational Expenditure as % of GDP

The structure of the financial alignment branch is displayed in below.

Figure 44 Financial Alignment within Themes



#### 14.2.1.3 Economic Criteria

The economic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget contributes to the growth of the municipal economy and improves the economic position of the residents within the municipality.

A macro-economic impact module (EIM) was developed for the municipality specifically to make use of the data from the CAPS system. The econometric model is specific for the municipality and draws from a sophisticated range of financial data, regional data, and population data sourced from Statistics South Africa. As such, the EIM generates values for the impact of individual and portfolio capital projects in terms of a set of economic, socio-economic and fiscal indicators – for the city as a whole, as well as a selection of key sub-regions or ‘main places’.

The EIM is based on the outputs of a comprehensive suite of econometric models. The workings of the EIM are dynamic and consider the indirect city-wide impacts of projects and programmes – not

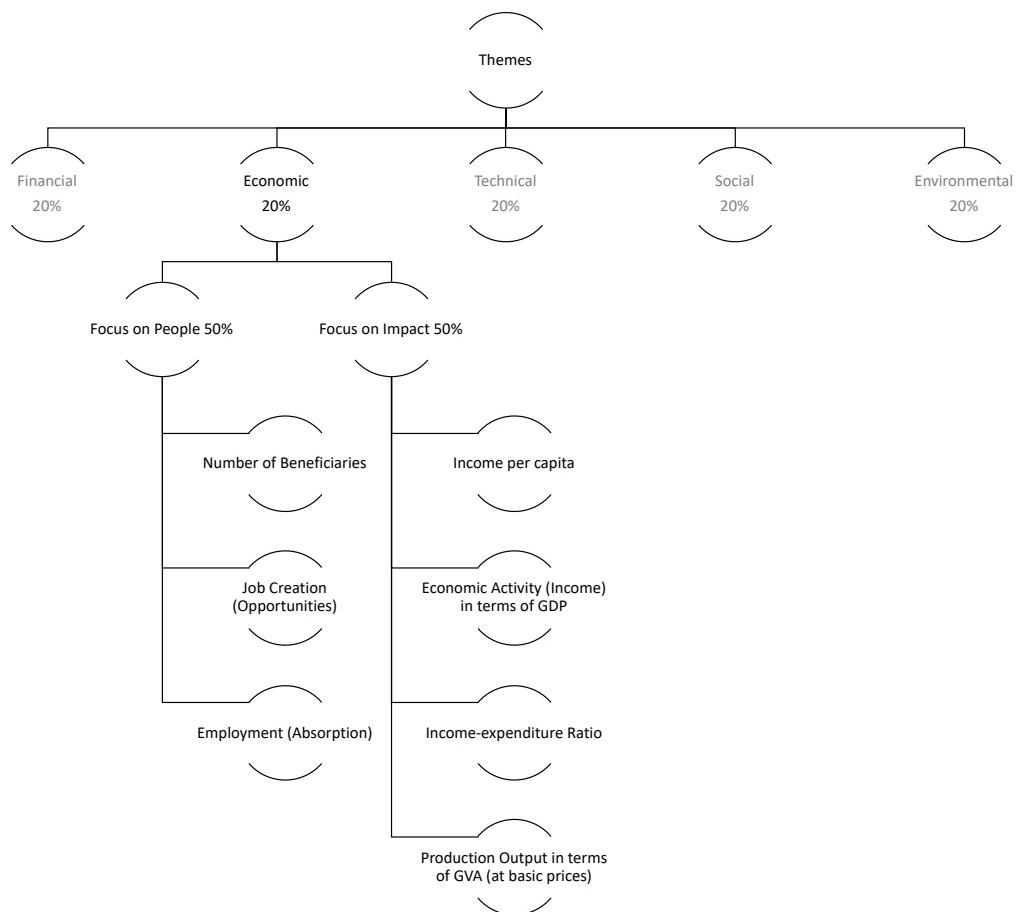
only the localised ward-specific impact. The EIM therefore captures the iterative, dynamic impacts of all of the role-players within the economy – households, business, government, foreign sector, as well as the full economic flow of goods, services, factors and money is accounted for, and an iterative computational process is utilised.

The outputs from the economic model is further augmented spatially by evaluating the alignment of the project's location and affected area, with geographic areas that were graded across the entire municipal area in terms of its economic impact in a separate economic study that was conducted for this purpose.

The economic alignment score is calculated within two distinct categories, namely (refer to Figure 45):

- Focus on impact
- Focus on people

Figure 45 Economic Alignment within Themes



#### **14.2.1.4 Technical Criteria**

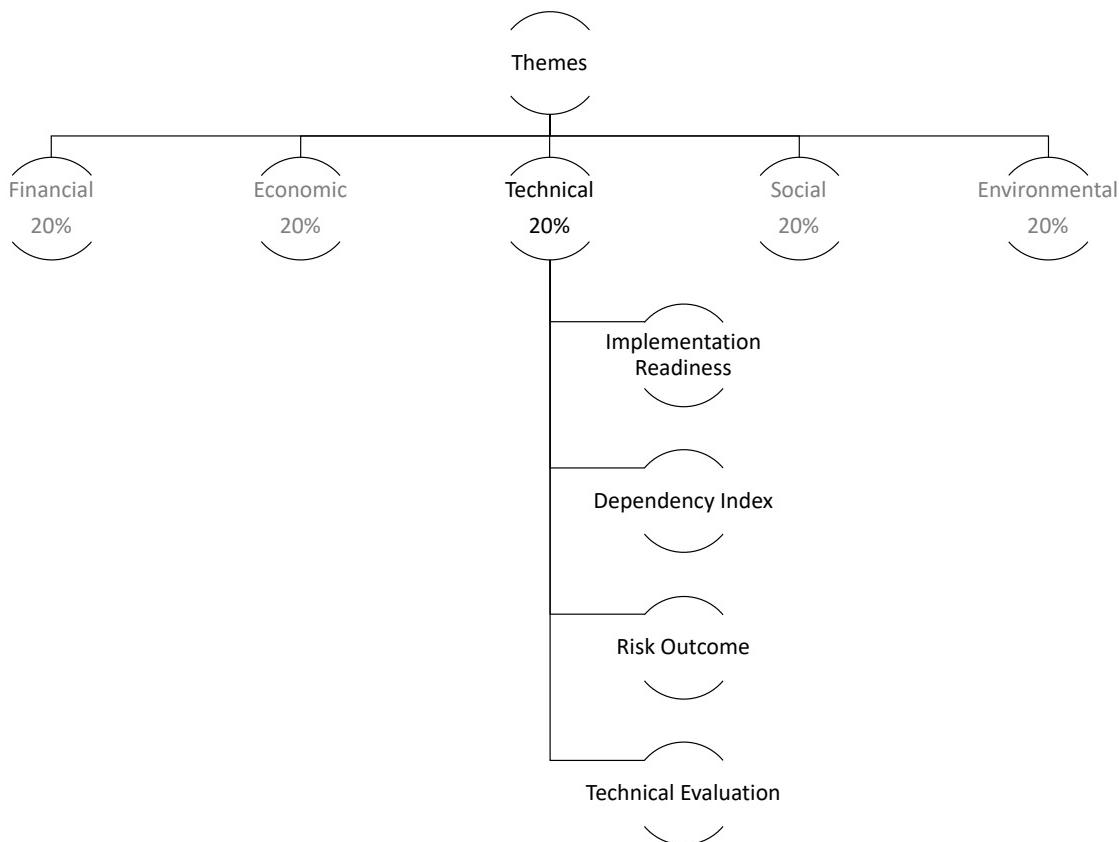
The technical alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the asset management plans, analysis and modelling of the technical or utility services departments. The technical alignment score is calculated using implementation readiness, dependency index, risk outcome and technical evaluation criteria.

The implementation readiness sub-branch is designed to measure a number of project readiness questions, which then determines the overall branch score on a project specific level. If a project is

ready to implement, the project will receive an elevated score. Alternatively, if project readiness information was not completed or indicates that a project is not ready for implementation owing to outstanding legislative, regulatory or procedural requirements, the project will be penalised with a lower branch score.

The structure of the technical alignment branch is displayed in Figure 46 below.

Figure 46 Technical Alignment within Themes

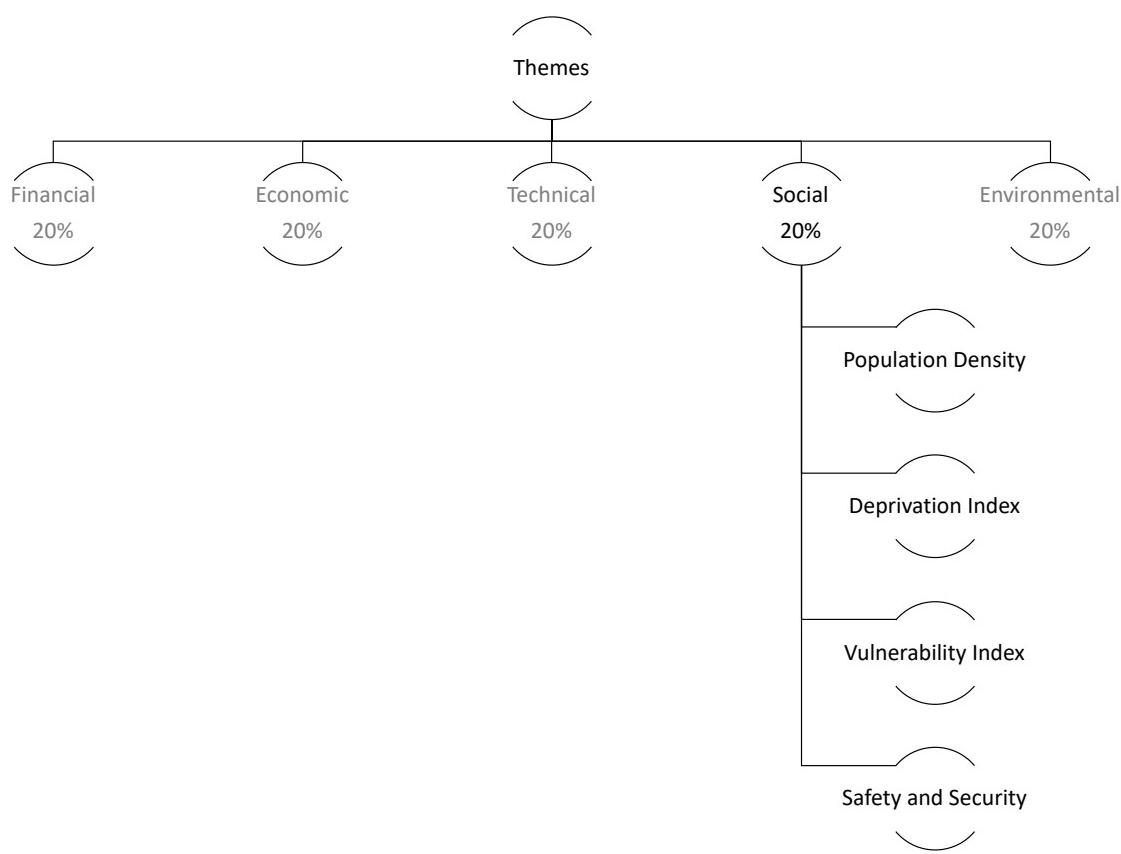


#### 14.2.1.5 Social Criteria

The social alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with servicing of areas with the highest demand and where the most vulnerable communities are situated and provides safety and security to the people within the city. The social alignment score is calculated within the following distinct categories, namely:

- Population Density
- Deprivation Index
- Vulnerability Index
- Safety and Security

Figure 47 Social Alignment within Themes



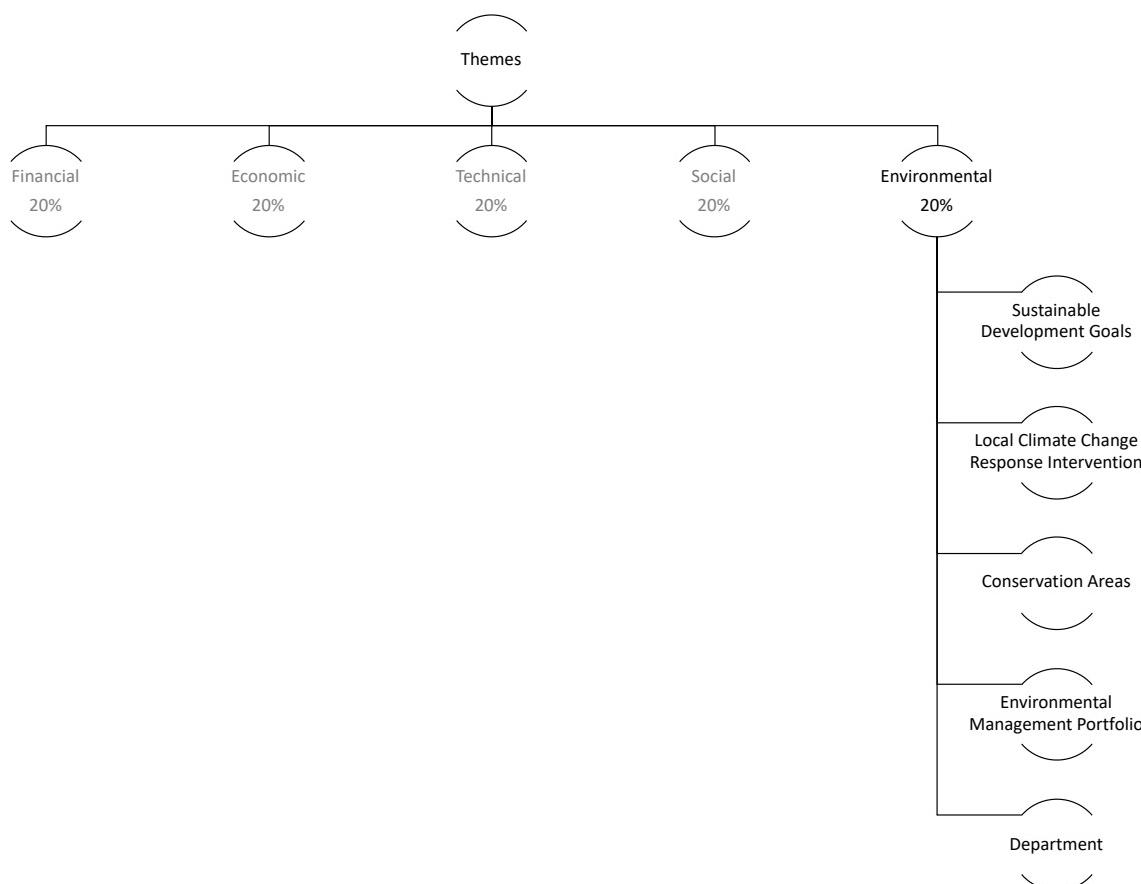
#### 14.2.1.6 Environmental Criteria

The environmental alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the protection of the environment, climate change strategies, conservation areas and sustainable development goals as set out by the city.

The environmental alignment score is calculated within five defined categories, namely (refer to Figure 48):

- Sustainable Development Goals
- Local Climate Change Response Interventions
- Conservation Areas
- Environmental Management Portfolio
- Departments

Figure 48 Environmental Alignment within Themes



## 14.3 Capital Prioritisation Model Results

The Capital Prioritisation Model (CPM) of the City is a systematic and objective methodology that provides a way to sort a diverse set of items/projects into an order of importance based on each project's alignment to the strategic, developmental, social, economic, environmental and financial objectives of the municipality. The CPM identifies each project's relative importance by deriving a numerical value, representative of the project's priority.

The prioritisation model outline was discussed as part of Chapter 14.2 and includes an overview of the CPM model. The following section shows an overview of the results from the CPM, which feeds into the budgeting process (refer to Chapter 18), and consequently provides a portfolio of projects for the 2020/21 Draft Annexure A (Chapter 19). The CPM was run using the following CaPS settings as input:

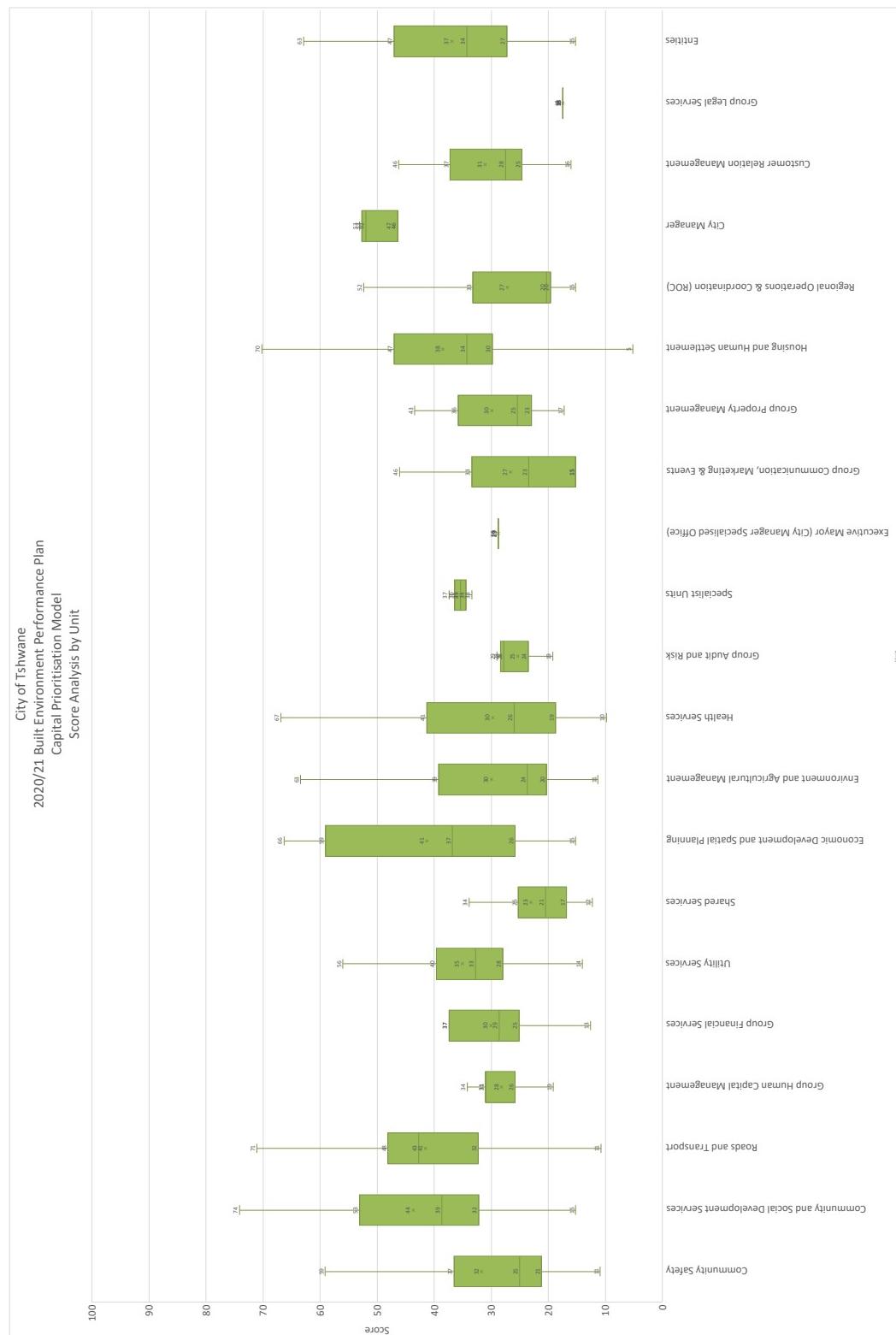
- Financial Baseline: 2020/21 Planning + Draft Annexure B (20200123)
- Applicable Financial Year: 2020/2021
- Prioritisation model name: 20190830\_Tshwane\_Model\_20-21\_v1
- Prioritisation model version: 2020-01-21

### 14.3.1 Modelling Results per Unit

The CPM results per Unit, is shown in Figure 49 as a “box-and-whisker” diagram. The “box” component of the diagram shows where the projects that scored between the 25th and 75th

percentile, scored for each specific unit. The average score of the unit is marked on the graph by a “x”. The “ends” of the whiskers provide the maximum and minimum scores. Projects scoring between the minimum value and the 25th percentile are arranged along the bottom whisker, and projects scoring between the maximum value and the 75th percentile are arranged along the top whisker and the box.

Figure 49 Prioritisation Model Results - Score per Unit



The reason for showing projects in this way (Figure 49) is that it provides quick insight into the level of variability of scores within each department. Where there is a lot of “bunching” of scores, the reasons for this are investigated to ensure the accuracy of the model outcomes. It may for instance be, that the project scores are “bunching” at a specific unit because the particular official or officials simply copied the responses from one project to the next, and in so doing compromising the process. In such instances, the data is investigated, and the model is run again until there is confidence in the legitimacy of the model outcomes. This is a very important first step in the evaluation of modelling results.

### **14.3.2 Modelling Results per Department**

An appraisal of the averaged scores as shown in Figure 50 and Table 17, is done for the purpose of further verification of the modelling results. Departments within the City that focus on the provision of basic infrastructure and services, should preferably score better than the other departments – this should include the provision of housing.

The average score also serves as a warning system to highlight further investigation into departments with low average scores stemming from the model. One of the main reasons for low average scores can often be found in the fact that the projects that are evaluated, are simply devoid of any data that can be used for prioritisation – so the project may be a good project, but there simply isn’t any data populated on the system by that particular department to enable the system to score the project properly and fairly. Instances where this is the case is highlighted and communicated back to the applicable departments.

On the opposite end of the scale, some departmental averages may be very high in relation to other departments – this is often the case with smaller departments that may only have one or two projects asking for funding. It is much easier for a small number of projects to obtain a high average score than it is for larger infrastructure provision departments e.g. the Road and Stormwater Department.

Figure 50 Prioritisation model results – Score per department

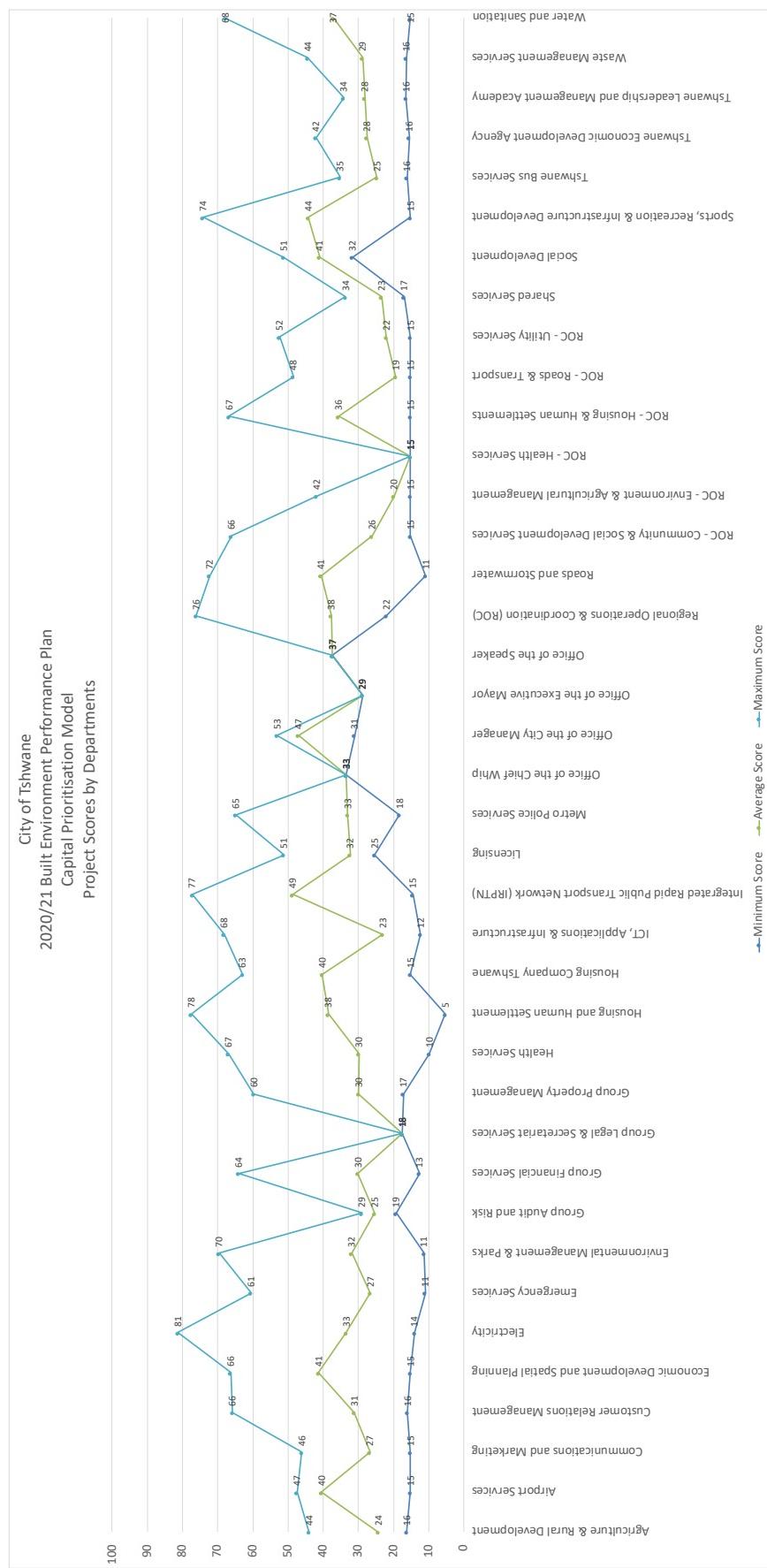


Table 17 Prioritisation model results – Score per department

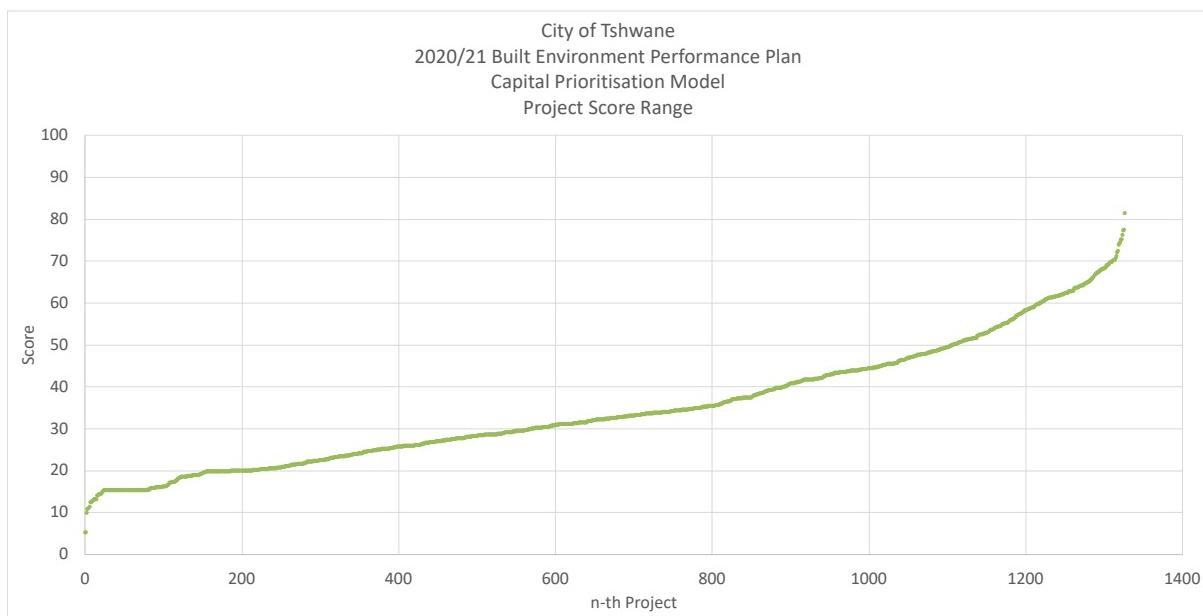
Unit / Department	Minimum Score	Average Score	Maximum Score
Agriculture & Rural Development	16,2	24,3	44
Airport Services	15,2	40,4	47,4
Communications and Marketing	15,2	26,7	46,1
Customer Relations Management	16	31,1	65,8
Economic Development and Spatial Planning	15,2	41,3	66,3
Electricity	14	33,4	81,3
Emergency Services	10,9	26,6	60,5
Environmental Management & Parks	11,3	31,9	69,6
Group Audit and Risk	19,2	25,3	29
Group Financial Services	12,6	30,1	64
Group Legal & Secretariat Services	17,5	17,5	17,5
Group Property Management	17,2	29,9	59,7
Health Services	9,8	29,8	66,9
Housing and Human Settlement	5,2	38,5	77,5
Housing Company Tshwane	15,2	40,2	62,9
ICT, Applications & Infrastructure	12,3	23,0	68,1
Integrated Rapid Public Transport Network (IRPTN)	14,5	48,7	77,2
Licensing	25,3	32,3	51,1
Metro Police Services	18,3	33,0	64,8
Office of the Chief Whip	33,4	33,4	33,4
Office of the City Manager	31	47,0	53,1
Office of the Executive Mayor	28,8	28,8	28,8
Office of the Speaker	37,4	37,4	37,4
Regional Operations & Coordination (ROC)	22	37,7	76,1
Roads and Stormwater	10,8	40,6	72,3
ROC - Community & Social Development Services	15,2	26,1	66,1
ROC - Environment & Agricultural Management	15,2	19,9	41,9
ROC - Health Services	15,2	15,2	15,2
ROC - Housing & Human Settlements	15,2	35,6	66,8
ROC - Roads & Transport	15,2	19,3	48,4
ROC - Utility Services	15,2	22,1	52,4
Shared Services	17	23,4	33,6
Social Development	31,7	41,0	51,2
Sports, Recreation & Infrastructure Development	15,2	44,2	74,1
Tshwane Bus Services	16,1	24,7	35,2
Tshwane Economic Development Agency	15,5	27,5	42
Tshwane Leadership and Management Academy	16,4	28,2	34,2
Waste Management Services	16,3	28,7	44,4

Unit / Department	Minimum Score	Average Score	Maximum Score
Water and Sanitation	15,2	37,1	67,8
Grand Total	5,2	34,9	81,3

In other instances, a low or high average score can simply imply that the projects typically stemming from that department align best with the strategic priorities of the City. The lowest and highest scoring projects for each department are interesting but statistically insignificant, because these scores only relate to one single project stemming from that particular department – that score is therefore not representative of the typical scores from that department and may simply be an outlier. It does however assist in comprehending the total span of project scores that was obtained from the modelling process.

The average scores as presented in Figure 51 are in line with the priorities of the city and with indicative budgets that were tabled in preceding years. This findings of this in the appraisal of the modelling results are therefore satisfactory and do not raise any red flags.

Figure 51 Project Score Distribution



A second methodology of testing the legitimacy of the results is by appraising the overall statistical distribution of the results as shown in Figure 51. The S-curve distribution is a typical “normal distribution” of results. A typical normal distribution is preferred as this is an indication of a well-balanced and thoroughly calibrated model. Bunching or skewness in the normal distribution would have been indicative of an undue bias or imbalance in the modelling criteria.

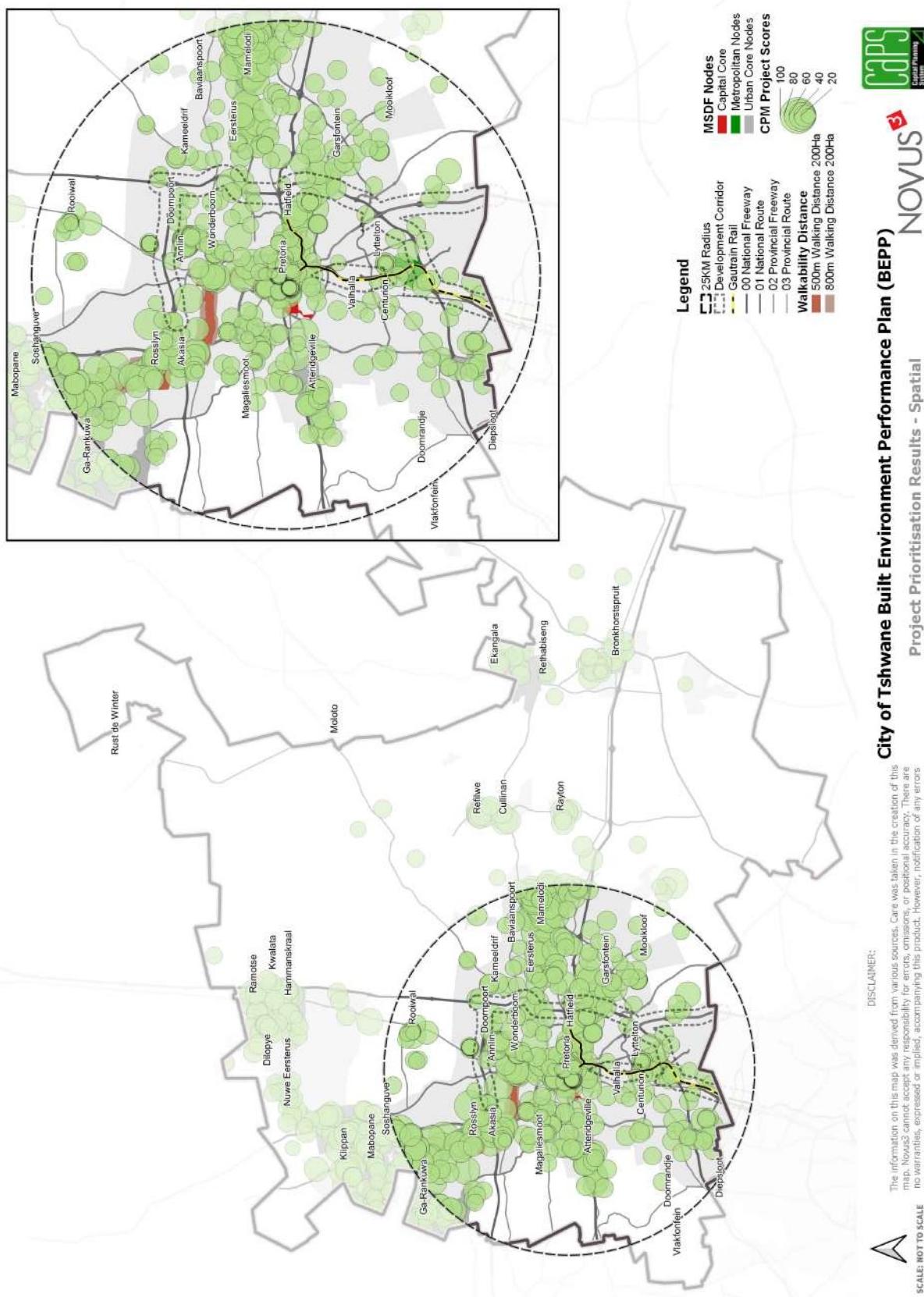
### 14.3.3 Spatial Distribution of Modelling Results

One of the key benefits of the Tshwane prioritisation model is that it enables the use of alphanumeric, numeric and spatial data as inputs – this aligns with legislative requirements as provided in Section B of this report. Spatial targeting is therefore a fundamental input into the modelling process and the priority of certain spatial areas can be tweaked until the outcomes of the model represents the city’s priorities optimally.

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Each dot shown in Figure 52 represents a project – the size of the dot is an indication of how much the project has scored (range of scores is between 0 and 100). Considering the spatial parameters that were included in the prioritisation model, it is not surprising to see that projects within the Spatial Transformation Zones scored higher in comparison to projects outside these areas (Figure 52). Furthermore, all areas that are considered to be at the forefront of the pro-poor agenda, did exceptionally well overall.

Figure 52 Project Prioritisation Results – Spatial



## 15 Intergovernmental Project Pipeline

The 2018/19 BEPP guidelines require municipalities to identify inter-governmental (IGR) pipeline projects and programmes which correspond to spatially targeted areas. The following section details the spatial alignment between the provincial and municipal spatial development framework, with the aim of identifying provincial capital focus areas and corresponding spatial transformation areas as outlined in Section B.

### 15.1 Provincial Planning

Gauteng Provincial Government (GPG) acknowledges spatial targeting as an effective planning mechanism and acknowledges that government on its own cannot solve all spatial challenges in every place at the same time due to resource and financial constraints. Therefore, government must prioritise and, as part of that prioritisation, discover which levers can be used to maximise impact.

GSDF 2030 implementation introduces “focus areas” to direct, guide, align, coordinate and harmonise all public social and infrastructure investment and development spending in the province, in accordance with a spatial development logic built on ensuring rapid, sustainable and inclusive provincial economic growth, township redevelopment and decisive spatial transformation. As these focus areas coincide with other national and municipal nodes, they present an opportunity for crowding-in investments in a coordinated manner, as well as guide investors on where and in what to invest, therefore signalling certainty and clarity about the provincial spatial focus.

The GSDF’s position is that setting priorities, allocating resources and implementation programmes will require better alignment of strategic development priorities in all planning and budgeting processes; a shared agreement on the nature and characteristics of the Gauteng space economy; and most importantly, a spatial logic for ordering development spending.

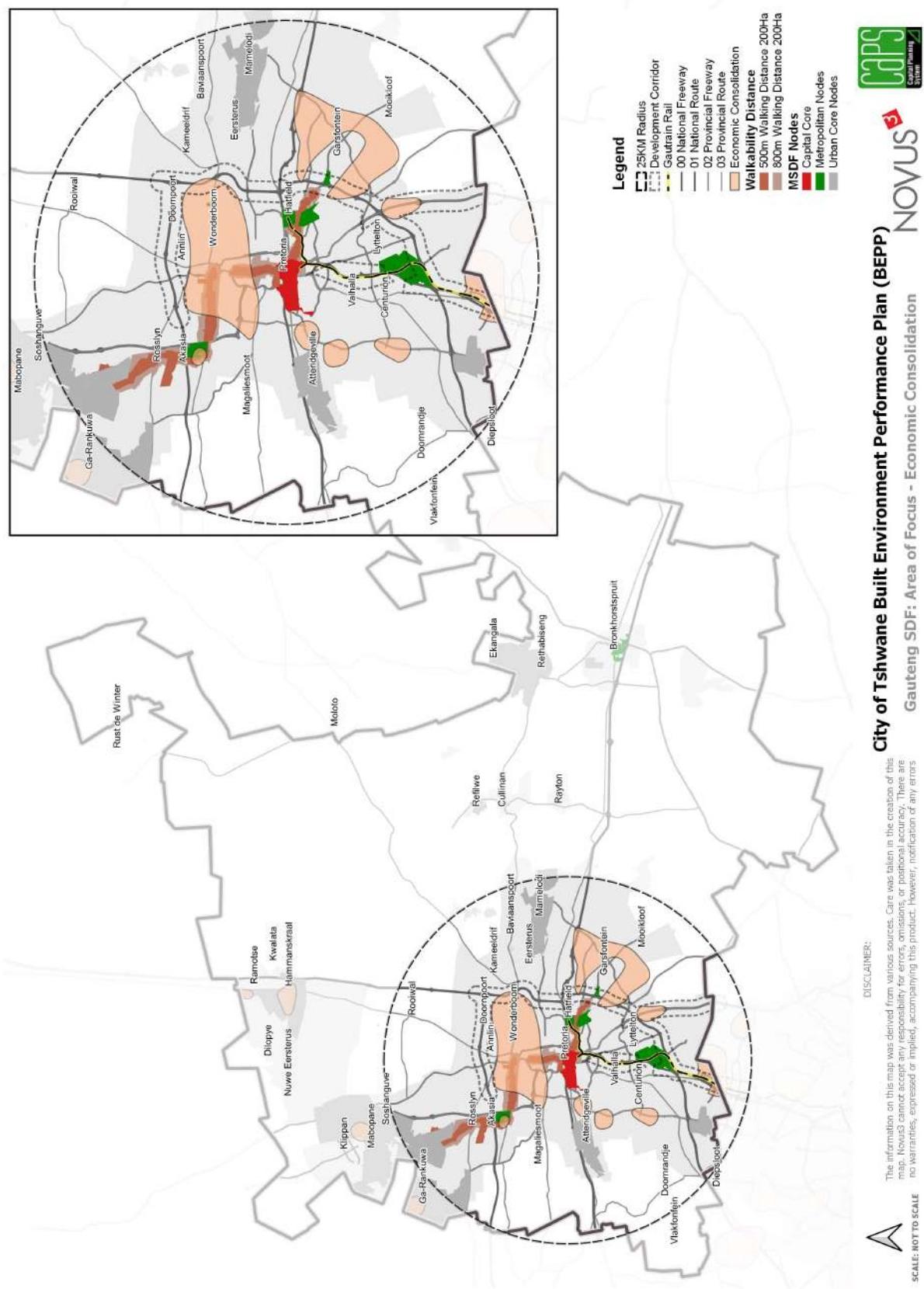
#### 15.1.1 Area of Focus for Economic Consolidation

These areas represent the anchors of the provincial, and by implication, the national economy. Drawing on economic growth trends over the past two decades, the areas are delineated based on their contributions to provincial economy, and their relative accessibility and connectivity to the rest of the province. The areas also contain a sizeable number of income-poor households.

As the core of the current provincial spatial form, the sustained growth of these areas is imperative for the well-being of the entire province. Government and the private sector need to adopt a thoroughly coordinated and collaborative approach when investing in these areas. Provincial government must intensify support for the area through providing convenient affordable public transport infrastructure and enhancing safety and security.

Municipalities must leverage long-term infrastructure planning, and maintenance, as well as progressive land-use policies to make these areas work. In line with this, municipalities must guide private sector development in providing higher residential densities, diverse mix of land-uses and opportunities for a wider mix of people of various income and social groups. To accomplish this, innovative and stronger collaboration between engineering and urban design professionals in the making of the built environment is imperative.

Figure 53 Gauteng SDF Area of Focus – Economic Consolidation

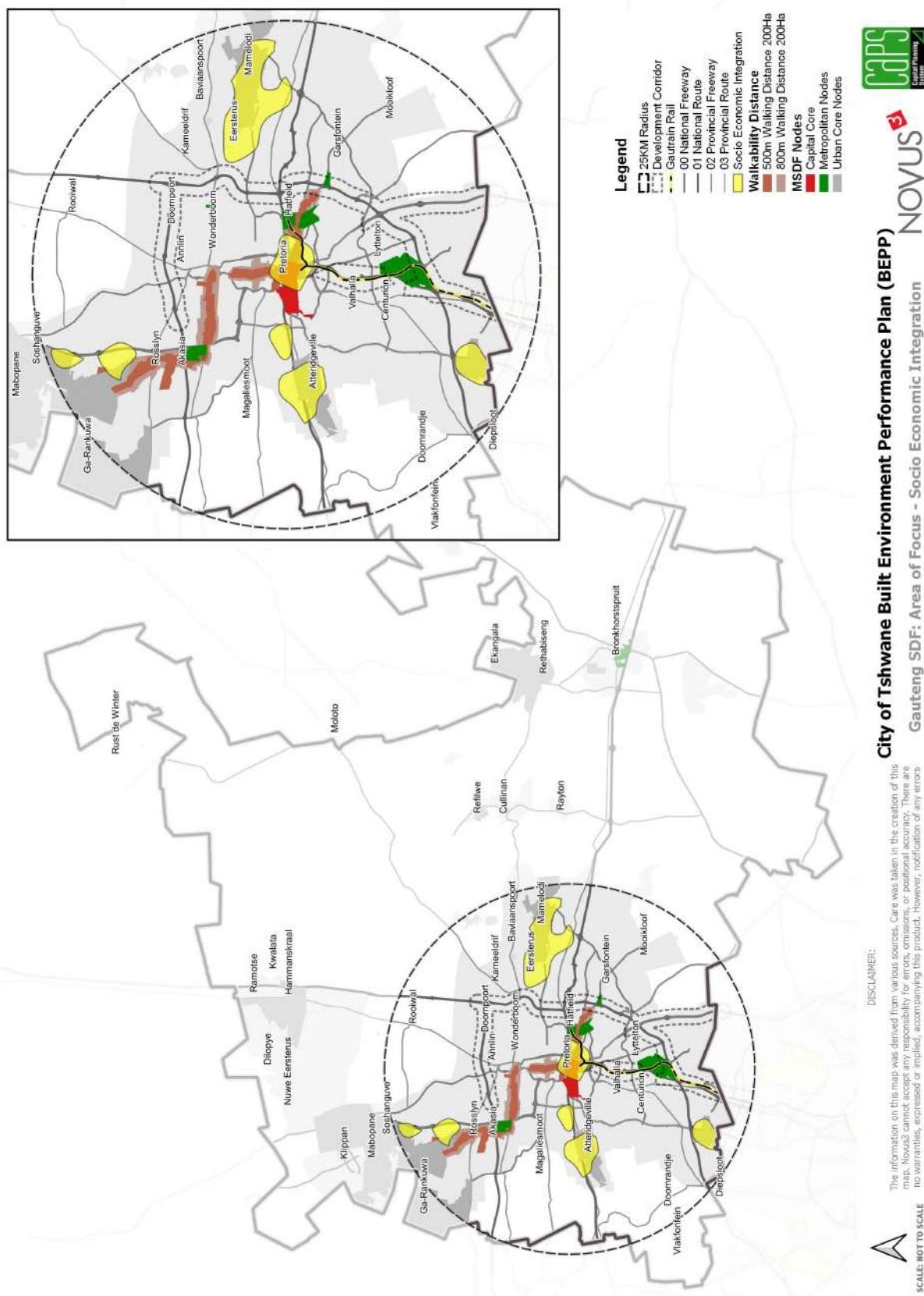


### **15.1.2 Area of Focus for Socio-Economic Integration**

The objective is to determine which locations offer Gauteng the most opportunity for socio-economic integration. These areas include parts of the province that have high levels of unemployment and poverty, and high dependency ratios, but are close to the provincial core economic areas. Spatial analyses of socio-economic, demographic and accessibility data was used to delineate the areas. These areas offer the highest prospect for social and economic integration on a provincial scale because of their high population densities and relative connectedness with the provincial economic core. Public investment needs to be targeted at these areas over a sustained period of time, together with incentives and a supportive regulatory framework that encourages the crowding-in of private sector investment. Provincial government must focus on developing health and education infrastructure development, building capacity, developing skills, and developing initiatives aimed at youth and women.

Transport infrastructure must be maintained, and public transport infrastructure extended to these areas. Municipalities should equally prioritise long-term bulk infrastructure planning and maintenance for these areas. The private sector should be encouraged to focus on place-making efforts in these areas, through innovative urban design making the area attractive for people from the wider provincial area. Higher residential densities and a diverse mix of land-uses and opportunities for a broader mix of people of various income and social groups should be encouraged.

Figure 54 Gauteng SDF: Area of Focus – Socio Economic Integration



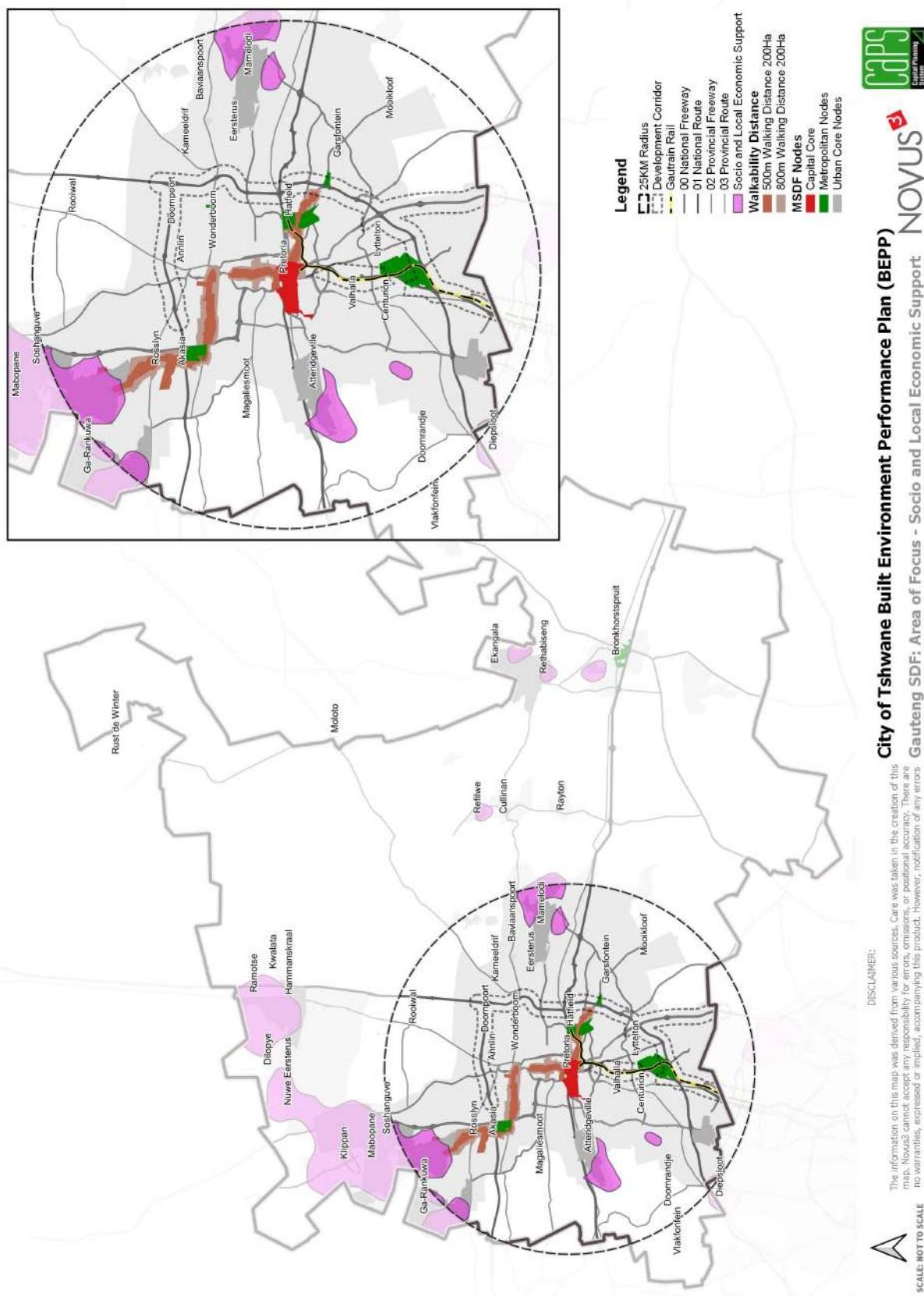
### **15.1.3 Area of Focus for Social and Local Economic Support**

The objective is to determine which locations in Gauteng require targeted social and local economic support. These areas include parts of the province that have high levels of unemployment and poverty and high dependency ratios but are comparatively poorly integrated with the province's socio-economic prosperity. Long-term integration of these areas with adjacent economic-consolidation focus areas is crucial. All three spheres of government need to coordinate their localised interventions over the medium to long term in order to lay a foundation for economic redevelopment and transformation.

Provincial government should focus on early childhood development, basic health care, quality primary and secondary education, community-based research and planning, sports infrastructure development, skills development, food security initiatives, sustainable livelihood initiatives, substance abuse prevention, treatment and rehabilitation, as well crime prevention and support. Provincial government should also support and nurture emerging local transport businesses in these areas.

Municipalities should review old inhibitive by-laws and ensure responsive land release to support local economic development. However, municipalities should cautiously manage settlement expansion in these areas and ensure place-making from the outset, through innovative urban design, to lay a foundation that will enable these areas to grow in a sustainable fashion over the longer term.

Figure 55 Gauteng SDF: Area of Focus – Socio and local economic Support



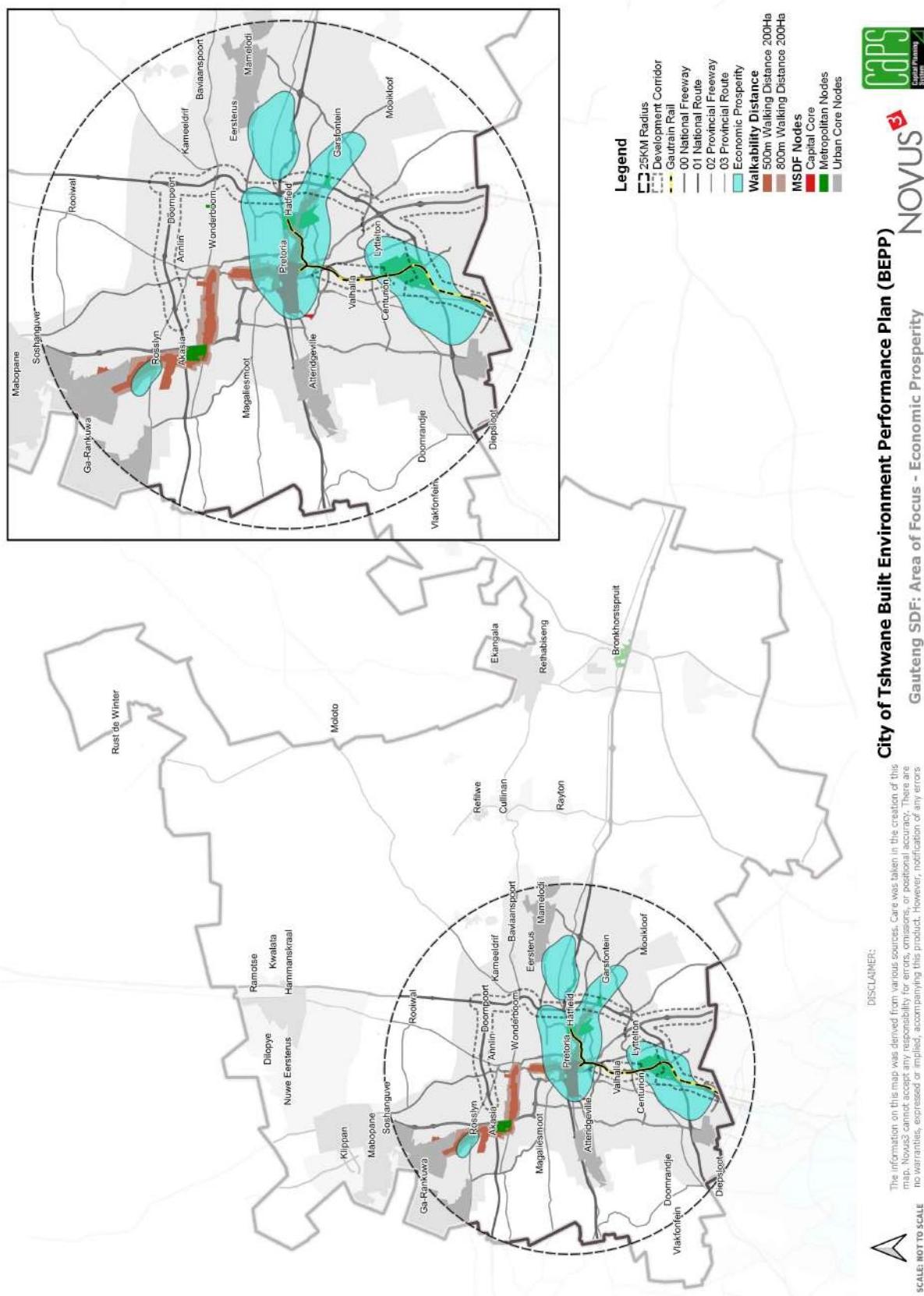
#### **15.1.4 Area of Focus for Economic Prosperity**

The objective is to determine which locations offer Gauteng the best opportunity for shared economic prosperity. These areas represent the anchors of the provincial, and by implication national economy. Drawing on economic growth trends over the past two decades, the areas are delineated based on their contributions to provincial economy, and their relative accessibility and connectivity to the rest of the province. The areas also contain a sizeable number of income-poor households. As the core of the current provincial spatial form, the sustained growth of these areas is imperative for the wellbeing of the entire province.

Government and the private sector need to adopt a thoroughly coordinated and collaborative approach when investing in these areas. Provincial government must intensify support for the area through providing convenient affordable public transport infrastructure and enhancing safety and security.

Municipalities must leverage long-term infrastructure planning, and maintenance, as well as progressive land-use policies to make these areas work. In line with this, municipalities must guide private sector development in providing higher residential densities, diverse mix of land-uses and opportunities for a wider mix of people of various income and social groups. To accomplish this, innovative and stronger collaboration between engineering and urban design professionals in the making of the built environment is imperative.

Figure 56 Gauteng SDF: Area of Focus – Economic Prosperity



## 15.2 Provincial and Municipal Planning Alignment

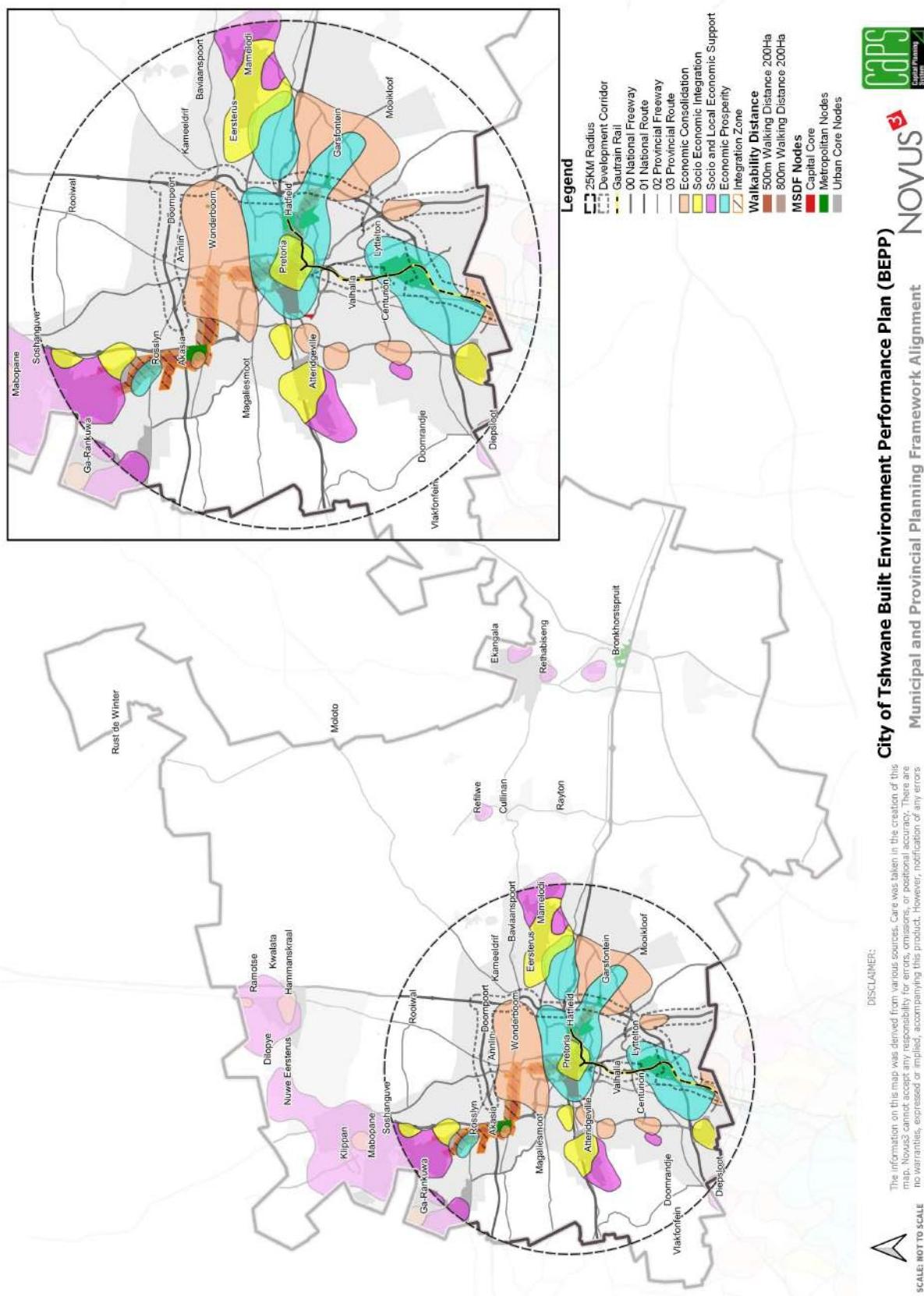
Chapters 15.1.1 - 15.1.4 outlined a detailed description of the four (4) areas of focus as identified within the GSDF 2030. The establishment of these focus areas have been based on municipal SDFs within Gauteng, and indicates similar objectives in terms of:

- (1) Promoting densification within specific areas;
- (2) Establishing an integrated open space network;
- (3) Integrating economically disadvantaged communities into the urban space;
- (4) Supporting viable public transport systems, and;
- (5) The establishment of a hierarchy of nodes which support existing development nodes and emerging nodes.

Section B of this document outlined the identification of spatially transformation areas, based on the city's MSDF and Integration Zones. Given that the GSDF 2030 identifies the importance of existing spatially targeted areas on a municipal level, the areas of focus suggest a strong alignment and inclusion of the nodes and corridors outlined in the MSDF together with the resultant CLDPs. Figure 57 below illustrates the alignment between municipal and provincial spatially targeted areas, which include the following:

- The capital core coincides with both the GSDF area of focus for socio-economic integration and economic prosperity.
- The Rosslyn precinct coincides with both the GDSF focus area for economic prosperity and economic consolidation.
- The Waltloo precinct coincides with three (3) GDSF focus areas namely:
  - (1) Economic prosperity;
  - (2) Social and local economic support, and;
  - (3) Socio-economic integration.

Figure 57 Municipal and Provincial Planning Framework Alignment



## 16 Institutional Arrangement

### 16.1 Project Preparation

The City utilises a project preparation, planning and prioritisation information system (CAPS) as outlined in Section A and Chapter 13 above. During this process the City uses CaPS to collect capital project demand but also to facilitate project planning in line with the annual IDP and budgeting process. After capital demand has been captured onto CaPS, the City applies the CPM to prioritise capital demand for purposes of the budget scenario process outlined in Section D.

The establishment of the CaPS TTT and the BEPPSCO (refer to Section A) has significantly benefited the process of project preparation through the establishment of a management and quality control framework. Details pertaining to this has been included in Section H as part of the Detailed Work Plan.

The work plan includes intermediation points within the process of preparing project information and is facilitated through the CaPS TTT, who further communicates outcomes through the BEPPSCO. The below indicates the intermediation points to the project preparation process:

- **CaPS TTT Capturing Seasons and Communications:** During the 2020/21 budgeting process the CaPS TTT communicated three capturing seasons. Each capturing season allows departments to capture their capital demand project list and technical information on CaPS (in line with the requirements set out in Chapter 13). The timelines associated for each capturing season was managed through the CaPS TTT in order to allow for a review of the information after capturing. The three capturing seasons also allow for new projects to be captured based on outcomes from municipal strategic planning sessions as per the IDP process plan. Addendum 6 includes the capturing memorandum for season one, the project information requirements and the subsequent communications for capturing seasons two and three.
- **CaPS TTT Training:** The CaPS TTT conducted training during the course of the 2020/21 budgeting cycle to prepare departments for each of the capturing seasons mentioned above. The objective of these training sessions was to prepare departments with an understanding of the project information requirements and the CaPS system. Addendum 6 includes the training session communications and attendance registers.
- **CaPS TTT Project Information Completeness Review:** After each of the capturing seasons the CaPS TTT analysed the information captured. The analysis of project information completeness assisted the CaPS TTT to identify information gaps and to communicate this to departments for attention during subsequent capturing seasons. The communication and analysis of each capturing season has been included in Addendum 6. For specific reference to the CaPS TTT planning meetings and agenda items refer to Addendum 2 (Section A).
- **CaPS TTT Project Sign-off Process:** Once the CaPS TTT has reviewed and communicated the status of project information completion, a formal sign-off process is followed. The project sign-off process includes the communication of a sign-off document to departmental heads for acknowledgement/agreement of project related information which was captured on CaPS during each of the capturing seasons. Addendum 6 outlines the project sign-off document and communication sent out during the 2020/21 budgeting process.

- BEPPSCO Communication: The BEPPSCO platform was used by the CaPS TTT to communicate the outcome of the above-mentioned intermediation points. Refer to Addendum 2 (Section A) which outlines the agenda items and outcomes for each BEPPSCO workshop held during the 2020/21 budgeting cycle.

The above intermediation points have been included in the detailed work plan as actions and milestones during the budgeting process. Refer to the work plan (Section H) for information relating to the timeline for each capturing season together with the preparatory actions and control processes put in place for the CaPS TTT and BEPPSCO.

## 16.2 Capital Prioritisation Model

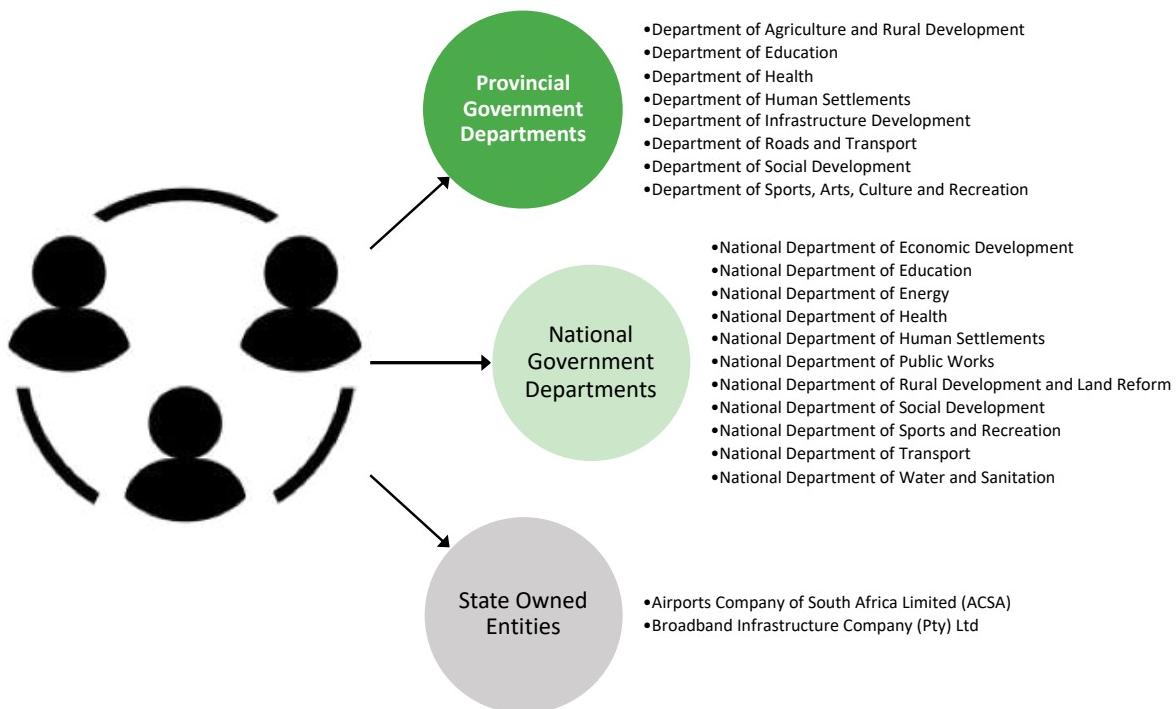
**Information Required.**

## 16.3 Intergovernmental Planning

### 16.3.1 Identification of Key Role Players

In order for the city to successfully identify an inter-governmental project pipeline, a number of key role players have been identified as outlined in Figure 58 below. The identification of an inter-governmental project pipeline aims to incorporate funding and projects from all spheres of government to prioritise collective public investment in targeted spaces<sup>5</sup>.

Figure 58 Intergovernmental Project Pipeline - Key Stakeholders



With the aim of achieving an inter-governmental project pipeline, the city engaged with a number of key stakeholders during 2019. For purposes of the 2020/21 BEPP, the city only managed to collect

<sup>5</sup> 2018/19 BEPP Core Guidance Note (Cities Support Programme, August 2017)

project information from Gauteng Provincial Government. This is largely attributed to the following challenges experienced during the stakeholder engagement process:

- Willingness of other public entities;
- No clear directive to provide information, and;
- Readiness of project information and MTREF Project lists.

During the stakeholder engagement process, some public entities were reluctant to engage in discussions regarding the IGR platform for reasons unknown. It was also difficult to request the data based on an argument which can be distilled to “BEPP requirements”. One of the more structural challenges within the public sector is the fact that municipal, provincial and national budget cycles are not aligned, which means that the 2020/21 MTREF project list for certain stakeholders were not readily available during the submission of the 2020/21 BEPP.

### **16.3.2 Gauteng Benchmarking Workshop**

During the 2020/21 budgeting and reporting cycle, National Treasury facilitated the Gauteng Benchmarking workshop on the 21st of January 2020. As an outcome of the benchmarking process, National treasury requested the three Gauteng metros to analyse the draft 2020/21 ECE list for Gauteng and to investigate the alignment between Gauteng’s proposed project list and that of the City’s project list and spatial targeting focus. The City of Tshwane responded to this request by highlighting the following comments from various internal departments:

- Social Development: The social development centres identified are in line with the City’s Adjustment Budget for 2019/20 and thus aligns with Social Development planning.
- Gauteng Department of Agriculture and Rural Development (GDARD): GDARD planning should align with water and sanitation together with waste management service provision.
- Roads and Transport: There are various types of projects within the Gauteng and Metro Department which include new links; upgrades; rehabilitation; maintenance and planning. The capital planning programme applied by the Gauteng Department of Roads and Transport (GDRT) is based on an internal system and prioritization process. The city does not form part of this process or provide input to this process.

During the planning and budgeting process the City continuously engages with GDRT on a number of items. These are predominantly focussed on planning aspects and development applications affected by provincial roads:

- “The reconstruction and upgrading of Garstfontein road (K50) between Loristo and Anton van Wouw streets”. The project entails the doubling of Garstfontein Road in the vicinity of Solomon Mahlangu Drive and is a joint project involving improvements to a municipal portion and a portion under a provincial jurisdiction. GDRT and representatives from Planning and Infrastructure Design Division meet regularly. Detail design will commence in 2019/20 (per agreement by the City) and construction during 2020/21.
- “K217 New Road Development”. This project is linked to the Tshwane Automotive City/Rosslyn nodal development. City engages regularly via TEDA, linked to AIDC and also GDRT.

- “K69 Upgrade”. The City and Gauteng Province work together regarding the K69 upgrade. The City assisted with the NMT design improvements during a revisit of the design. K69 as indicated on the project list has already started although the table date indicates that the starting date is not available.
- Health: Very limited joint planning occurred between the Health Department and Gauteng Province except for assistance regarding the identification of targeted land for new developments.
- Energy and Electricity: For USDG and INEP funded projects, the City engages with National Human Settlement and Department of Energy (DoE) during planning and project implementation. Particularly for INEP Grants, the City is required to apply for projects funds specifying envisaged projects. The DoE will then scrutinize the application, visit the specified projects and respond to the City’s application indicating whether the application is approved or not. On approval, the City and DoE will sign an MoU agreeing on projects to be executed and milestones to be achieved. The City will thereafter implement the projects, providing monthly reports. The DoE will during the project implementation conduct ad-hoc visits monitoring project until completion.
- Water and Sanitation: Ekurhuleni Water Care Company (ERWAT) and Magalies Water will be assisting the City with Waste Water Treatment Works projects and the agreement has been finalized.

The above has been communicated to National Treasury on the 10th of February 2020 to assist in the intergovernmental planning process and the outcomes of the Gauteng Benchmarking process. Refer to Addendum 8 for the communication trail between the City and National Treasury.

### **16.3.3 Tri-Metro Engagements**

**Information Required.**

### **16.3.4 Intergovernmental Relation Forum**

The City has established an Intergovernmental Relation (IGR) Forum to deal with issues in the IDP. The objective of the forum is to ensure that Departments are able to meet quarterly with the City to discuss areas of cooperation and alignment. The City Strategies and Organisational Performance has been mandated to deal with IGR matters and this has been included in the Business Plan for the Department. For more information relating to the forum and outcomes refer to the 2019/20 and 2020/21 IDP.